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CONTENTS

1 FEBRUARY 1991

NATIONAL ECONOMY

ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

Popov's Economic, Political Thesis
/G. Popov; OGONEK No 50, 8-15 Dec 90; No 51, 15-22 Dec 90/ 1

INVESTMENT, PRICES, BUDGET, FINANCE

Coordinated Price Policy Needed for Market Stabilization
/V. Shprygin; PLANOVYE KHOZYAYSTVO No 11, Nov 90/ 16

Budget Debate Viewed, Solutions Proposed
/S. Aleksashenko, Ye. Yasin; IZVESTIYA, 31 Dec 90/ 21

Economic Separatism Impedes Solution of Budget, Tax Problems
/S. Assekritov; RABOCHAYA TRIBUNA, 5 Jan 91/ 24

Further Materials on Managers' Conference, Documents Adopted
Summary of Proceedings /EKONOMIKA I ZHIZN No 51, Dec 90/ 28

Participants Reflect on Results /EKONOMIKA I ZHIZN No 51, Dec 90/ 28

Official Appeal to Government /EKONOMIKA I ZHIZN No 51, Dec 90/ 29

Economic Cooperation Agreement /EKONOMIKA I ZHIZN No 51, Dec 90/ 30

RESOURCE UTILIZATION SUPPLY

Conversion: Beryllium Mine To Produce Emeralds for Jewelry
/V. Chertkov; PRAVDA, 2 Jan 91/ 31

REGIONAL ECONOMIC ISSUES

POLICY, ORGANIZATION

Legislation Amending RSFSR Law on Land Reform /SOVETSKAYA ROSSIYA, 5 Jan 91/ 34

Legislation Amending RSFSR Law on the Peasant Farm /SOVETSKAYA ROSSIYA, 5 Jan 91/ 35

RSFSR Law on Budgets in Rayons, Other Administrative Units
/SOVETSKAYA ROSSIYA, 29 Dec 90/ 42

Alternative Ukrainian Draft Law on Property Viewed
/A. Halchynsky; RADYANSKA UKRAYINA, 4 Dec 90/ 43

Ukrainian SUPSOV Commission Head on Market Economy Draft Legislation
/N. Bilobotskiy; RADYANSKA UKRAYINA, 5 Dec 90/ 46

'Deformation' of Ukrainian Economy Viewed
/I. Lukinov; EKONOMIKA SOVETSKOY UKRAINY No 10, Oct 90/ 48

Transcarpathian Region To Become Joint Enterprise Zone
/S. Ustych; MOLOD UKRAYINL, 9 Dec 90/ 60

Implications of Nakhodka Free Enterprise Zone /A. Dushechkin; TRUD, 8 Jan 91/ 63

Lithuanian Temporary Personal Income Tax Law
Text of Law /EKHO LITVY, 3 Nov 90/ 65

Decree on Implementation /EKHO LITVY, 3 Nov 90/ 69

Uzbek SSR Law on Property 69

Text of Law /PRAVDA VOSTOKA, 23 Nov 90/ 69

Decree on Law's Implementation /PRAVDA VOSTOKA, 23 Nov 90/ 76

Turkmen Officials Discuss Transition to Market Economy
/TURKMENSKAYA ISKRA, 4 Dec 90/ 77

INTERREGIONAL, FOREIGN TRADE

Escalation of Interregional 'Customs War' at Vitebsk
/L. Vinokurov; *ZNAMYA YUNOSTI*, 20 Dec 90/ 81

INDUSTRIAL DEVELOPMENT

RSFSR 1990, 1991 Industrial Performance Assessed
/A. Frenkel, Ya. Beylinson; *EKONOMIKA I ZHIZN* No 1, Jan 91/ 82

AGRICULTURE

AGRO-ECONOMICS, POLICY, ORGANIZATION

Agrarian Reform in Moldova Examined /A. Golya; *SOVETSKAYA MOLDOVA*, 5 Dec 90/ 85

MAJOR CROP PROGRESS, WEATHER REPORTS

Field Work Lags in RSFSR 87
Decreased Areas, Equipment Support /K. Suslov; *SELSKAYA ZHIZN*, 27 Dec 90/ 87
Unharvested Crops /*SOVETSKAYA ROSSIYA*, 19 Dec 90/ 88

CONSUMER GOODS, DOMESTIC TRADE

POLICY, ORGANIZATION

Moscow: Sell Meat, Get Special Purchase Coupons
/V. Degtyarev; *SELSKAYA ZHIZN* 8 Jan 91/ 89

FOOD PROCESSING, DISTRIBUTION

Sugar Workers Defend Production, Question Distribution /*OGONEK* No 51, 15-22 Dec 90/ 89
RSFSR Kolkhoz Market Price Rises Detailed /*RABOCHAYA TRIBUNA*, 1 Jan 91/ 90
Bread, Milk, Meat Price Hikes Ordered in Latvia 90
Text of Decree /*SOVETSKAYA MOLODEZH*, 19 Dec 90/ 90
Prices Listed /*SOVETSKAYA MOLODEZH*, 19 Dec 90/ 91
Azerbaijan CP Official Calls for Strict Distribution of Food Supply
/F. Musayev; *BAKINSKIY RABOCHIY*, 2 Dec 90/ 94

GOODS PRODUCTION, DISTRIBUTION

RSFSR Agroprom Statistics Show Hunger No Threat for 1991
/V. Nefedov; *ARGUMENTY I FAKTY* No 1, Jan 91/ 96
Conversion: Estonian Uranium Plant To Produce Consumer Goods
/F. Kaazik; *MOLODEZH ESTONII*, 20 Nov 90/ 97

PERSONAL INCOME, SAVINGS

Statistics Show Poor Growing Poorer /*KOMSOMOLSKAYA PRAVDA*, 15 Dec 90/ 98
Insurance Payments Into Pension Fund Described /*IZVESTIYA*, 7 Jan 91/ 98
Questions on Personal Taxes, Social Insurance Answered
/D. Dobrovolskiy; *KOMSOMOLSKOYE ZNAMYA*, 12 Dec 90/ 100

ENERGY

ENERGY COMPLEX ORGANIZATION

Atomic Energy Official on New Scale To Rate Nuclear Mishaps
/V. Stovbur; *RADYANSKA UKRAYINA*, 30 Nov 90/ 102
Government Program to Overcome Energy Deficit Examined
/V. Bushuyev; *PRAVITELSTVENNYY VESTNIK* No 51, Dec 90/ 103
Increase in 1991 USSR Energy Costs Viewed /Ye. Petryayev; *SELSKAYA PRAVDA*, 27 Oct 90/ ... 106

LABOR

Union Activities Focus of General Confederation Meeting [<i>TRUD</i> , 3 Jan 91]	108
Miners View Market Advent Skeptically [A. Orechkin; <i>SOVETSKAYA ROSSIYA</i> , 29 Dec 90]	109
Belorussian Consumer Co-ops Restructuring	110
Insufficient Goods for Farm Population [L. Kapustina; <i>SELSKAYA GAZETA</i> , 11 Aug 90]	110
Resources, Transition Plans Detailed [<i>SELSKAYA GAZETA</i> , 24 Nov 90]	112
New Chairman Interviewed on Role of Turkmen Trade Unions [A. Rizayeva; <i>TURKMENSKAYA ISKRA</i> , 11 Nov 90]	113

ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

Popov's Economic, Political Thesis

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8-15 Dec 90 pp 6-8; No 51, 15-22 Dec 90 pp 5-8

[Two-part article by Gavril Popov, people's deputy of the USSR and chairman of the Moscow City Soviet: "Prospects and Realities"; subtitled: "Strategy and Tactics of the Democratic Forces at the Current Stage"]

[No 50, 8-15 Dec 90, pp 6-8]

[Text] What is to be done? This was how Nikolay Chernyshevskiy entitled a book 130 years ago.

What is to be done? Vladimir Ulyanov asked this once again 40 years later in the title of one of his first works.

What is to be done? This question is today, a further 90 years on, once again being asked by deputies and the electorate, generals and civilians, directors and workers, democrats and conservatives.

My answer lies in the pages that follow.

I arrived at it by an extremely difficult path. Even were it a question of me alone, the task would be difficult even then.

But for the cochairman of the Interregional Group of Deputies, for an organizer of "Democratic Russia," for the chairman of the Moscow City Soviet everything was inevitably complicated many times over.

Both the analysis and the answer were influenced by the victories of "Democratic Russia," the election of B.N. Yeltsin, leader of the RSFSR [Russian Soviet Federated Socialist Republic] parliament and the beguiling prospects of the activity of the new Russian Government.

And, finally, an influence was exerted by the practical perception of power that we have acquired in Moscow and of which I would like to some extent to avail myself in the interests of our electorate.

Nonetheless, I found the strength to do what I have always done—to look at the country, the democrats and myself from the side, from the objective positions of a scientist.

Here are the 10 main answers to the question: "What is to be done?"

1. The struggle that is under way is for the version of perestroyka that will be realized—democratic or apparatus.

2. The specifics of the alignment of forces are such that the democrats cannot realize their version on their own, but the apparatus cannot realize its version: it also lacks the forces.

3. The most important thing is to struggle for the immediate creation of a coalition of the center, the constructive part of the apparatus and the constructive part of the democratic forces. A coalition may realistically emerge now under the leadership of the center, but for the realization of the democratic program of perestroyka.

4. It would establish a regime of strong executive authority for a two-to-three-year transitional period that would be supported by a majority of the population and all supporters of perestroyka overseas.

5. If the apparatus rejects a coalition and attempts to realize the present presidential version of apparatus perestroyka, it will be essential within a month or two to do for the electorate everything that lies within the authority of democrats who have taken power in the republics and local authorities.

6. And then dissociate ourselves as quickly as possible from all that is being done in the country by the apparatus. Dissociate in order to preserve the trust of the masses, dissociate in order not to become initially a screen for the realization of a program alien to us and subsequently to be the scapegoat to which all the failures of this program are attributed. Dissociate decisively, as far as the democrats quitting the offices they hold, up to and including the surrender of their seats as deputies.

7. And immediately begin a struggle for new constitutions of the USSR and the RSFSR and for new direct elections by the public per the lists of political parties of both deputies of the legislative authorities and the leaders of the executive bodies—presidents, governors, mayors, elders.

8. Create for preparations for the elections an organization—an alliance of democratic forces—uniting therein all parties of the Union and groups advocating democratic perestroyka.

9. Strive at these elections for victory thanks to a decisive break with all the present authorities and secure more fully than currently the leading position of the democratic forces in all mechanisms of power.

10. Propose to the apparatus on behalf of the democratic forces, which will have strengthened their positions, a new coalition, no longer based on the democratic program of perestroyka but under the leadership of the democrats.

1. Roots of the Crisis

The Supreme Soviet of the Union demands of the republics subordination, but the supreme soviets of the republics insist on the primacy of their sovereignty.

The USSR Supreme Soviet spends hours polishing laws that in the republics are at best read.

The leader of the foundation of the Union of SSR [Soviet Socialist Republics]—Russia—rejects the program of the president of this Union.

Representatives of Russia, constituting the majority in the country's parliament, vote for one program, but the parliament of this same republic, for another.

Supporters of secession from the USSR win an election victory in a further republic—Georgia. But the president unequivocally rejects such a prospect.

In the Ukraine a minority of the parliament retires a government of the majority, but in the Moscow City Soviet its leaders speak of their possible resignation while having a stable majority.

Soviets of different levels are waging war with one another, with their executive committees and with their presidiums and chairmen.

A serious crisis of the entire present system of government is in evidence.

Another crisis is the **nationality** crisis. The process has moved to the RSFSR. One after the other, autonomous republics are declaring that they wish to be conventional sovereign states. Yet the boundaries of the autonomous entity are even further from the realities of the settlement of the nations than the borders of the union republics.

The country is moving from conflicts between non-Russian peoples toward conflicts in which Russians constitute one party. But no Union leader of the Army, KGB or MVD [Ministry of Internal Affairs] (not to mention the leaders of Russia itself) would survive if in such conflicts units which were predominantly Russian in composition were to remain in the role of neutral arbiters.

A third crisis is **economic**. The administrative system in the economy is supported only by power. Only the power of the central authorities could, for example, have forced republics or oblasts suffering from a shortage of meat or eggs to ship these products to Moscow.

The center no longer has such power. But the economic force of interest in commodity exchange is not yet operating.

For example, Ryazan Oblast has supplied Moscow with only two percent of the compulsory delivery of potatoes. Initially, breakdowns in supplies of food. Then breakdowns in supplies of dry goods begin. And ultimately there are breakdowns in respect of oil, coal, machinery.

It is better to keep all this at home for direct exchange, not ship it per government schedules of allocations.

The attempts of the USSR Council of Ministers to compensate for the chronic noncompliance with its directives by active pressure with the aid of newly printed money are only making the situation worse.

For example, the additional appropriations that the government has allocated for social needs, culture and science, which are scant as it is, are actually, with regard for inflation, less even than what was allocated before. The government's supply of new paper money, which signifies increasingly less, is becoming derisory.

A paralysis of the economy is setting in.

The result of the three crises is the growing **destabilization of society**. The citizens, however, have already acquired all political liberties and may demand what they please and of whom they please.

But they do not have the opportunity as yet to do anything for themselves.

Even the simplest spheres of activity and those most accessible to the individual—the right to buy and sell one's residence or the right to obtain without hindrance a plot of land free of charge in order on one's own to provide, if only one's own family with potatoes or vegetables—are lacking. Crudely put: The shelves are empty, but our present system is offering the individual one way out—go to a meeting and demonstration, demand, threaten.

The worst legacy of bureaucratic socialism—social that was earlier supplemented by passiveness, is now supplemented by tumultuous activity, becoming an exceptionally dangerous phenomenon.

Living conditions are deteriorating, the demands are becoming more radical. Nothing changes or life becomes worse—and then the most extreme appeals begin to find among their audience nutrient soil.

Are these crises fortuitous?

The process of restructuring has not been cloudless anywhere and has everywhere been contradictory. There is no rapid progress in the Czech and Slovak Federal Republics. Those who had come to power just a few months ago have already been defeated at local elections in Hungary. A split in the front of restructuring forces has occurred in Poland. There has been some progress only in the former GDR, and then thanks to its "capture" by the FRG.

Of course, our crises are the deepest. But, as we can see, crises have emerged everywhere.

We cannot, therefore, comfort ourselves with facile explanations. It is essential to find the key to an understanding of the entire situation concerning perestroika.

At the time of the bread crisis in Moscow, Yu.M. Luzhkov, chairman of the Moscow City Soviet Executive Committee, went to a bakery where quite productive machinery was undergoing repairs. The bakery's managers said: we cannot get it going in less than two weeks. Yury Mikhaylovich went to the workers. Their response: If you do for us this and this, we will get it going in five days. And they did.

This circumstance reflects the main economic problem of perestroyka. For ensuring that there be bread on the shelves it is not enough to make democrats the authorities. It is necessary that a new owner of the means of production other than the state emerge. He would not only get machinery in working order in five days, he would himself have it in a state of readiness by the end of August, by the time of people's return from vacation and the jump in the demand for bread.

Latin is now out of fashion, Pushkin wrote in "Yevgeniy Onegin" about Onegin. Today Marxism is out of fashion among some former dogmatists. Yet our situation was created by Marxists, and it is most easily explained in categories of Marxism.

Lenin and the Bolsheviks convinced themselves and the country that the economy was ripe and overripe even for transition to socialism. And the general bureaucratic regulation that had emerged in the course of World War I, what is more, Lenin took for the level of development of the economy itself.

No one could say that majestic efforts were not made. Neither people nor nature were spared. Neither bodies nor souls. Both others' and our own.

It was necessary in I.V. Stalin's military expansion to call a halt in the face of atomic catastrophe. We lost in N.S. Khrushchev's peaceful competition in terms of the criteria of productivity and well-being which we ourselves had advanced. And in the light of the 70 years of experience there could for the Marxist be two conclusions. The first: The attempt to build socialism was premature and not in keeping with the level of development and production and of man himself. The second: It is necessary—wholly in accordance with Marxism—to bring society into line with the productive forces and return to the highway of human civilization. As a singer in vogue sings: "We remember the intersection where we took the wrong streetcar!"

Returning to something in history is impossible. "Return," therefore, signifies the formation in the country of what has already been achieved by countries that are developing efficiently. Of course, Russia will remain Russia. The USSR will remain a union of republics. For this reason it cannot be a question of the blind imposition on the peoples of our country of the models of other countries of West or East. We are too big and distinctive in terms of our figure for imported suits to fit us "just right." We need to create that which is our own, but which corresponds in its main, fundamental characteristics to the world experience of civilization.

With what to replace the universal statization? We should not indulge in fantasies but simply take a look at those who are living normally. If productivity and the level of social development and material prosperity are taken as the criteria, there is state ownership everywhere in countries that are living successfully, but it constitutes no more than 20-25 percent, and that in the form primarily of municipal ownership. There is everywhere

private ownership also. But forms of collective ownership predominate, and the most general of them, what is more—joint-stock—is based primarily on private ownership.

I, therefore, cannot agree with M.S. Gorbachev when he calls collective forms of ownership public. The lesson of the collective egotism of the cooperatives, of which some people expected concern for society, has, evidently, either not been comprehended or portrays collective ownership as public for the sake of preservation of the socialist ideal.

The socialist ideal—if this is not a blind and utopian faith but a scientific fact—is the conclusion to the effect that at a particular stage of the development of production an economy planned by society is essential. I myself continue to consider myself a socialist because, evaluating development trends, I see that both the common part of the economy and the outlays on social needs on the part of society continue to expand. When this process will have reached the level necessary for socialism as a system we cannot now say. For this reason the honest socialist is required to help the country to move away from premature socialism and remain in the party defending the interests of one class. What is the point for the sake of the socialist ideal of yet again foisting something on the economy and the country? In order once again to be back where we started?

It is necessary to acknowledge that which is most important: **The essence of perestroyka in the economy is denationalization and de-statization.** A transition not simply to a pluralism of forms of ownership but to a system in which, for example, conditionally speaking, the state has 20 percent, 30 percent is in private hands and various collective owners have 50 percent. But the foundation of everything is private ownership. It is this outline that corresponds, as Marx would say, to the level of the productive forces.

The main thing in perestroyka in the economic respect is the sharing out of state property among the new owners. The essence of perestroyka, its root, lies in the problem of this shakeout.

We can only understand and explain the essence of why we have for five years been running in place, what awaits us and how to evaluate the programs and platforms of perestroyka and the positions of both people and parties in the light of this main process. And the cause of the economic crisis also is to be found here: It is the reluctance to practicably and immediately begin denationalization and the sharing out of state property, the land primarily.

And what is the essence of perestroyka in the political, state sphere?

In brief, the replacement of soviet power by a normal democratic republic, turning V.I. Lenin's well-known slogan the other way about: not a republic of soviets but a democratic republic. In other words, **desovietization.**

In the political sphere also the root of our troubles is the reluctance to return to the bosom of civilization and the endeavor to preserve the soviets.

According to V.I. Lenin, the exponent of power in the system of soviets is the soviet of the lowest level, in which the workers confer directly. But in a normal republic the exponent of power is the national parliament, and power emanates therefrom downward, not the other way around.

In the soviet system, a soviet of any level means power. But in a democratic republic power lies with the parliament, and it is not organs of power that are elected locally but organs of self-government—municipalities (or local councils, as was the case in Russia).

In the system of soviets all power is concentrated in the hands of the soviets. In a democratic republic no one has the right to hold all power. There are three systems of power: legislative, executive and judicial.

In the soviet system the main thing are sessions of the soviets, but in a democratic republic, the work of the apparatus. It is the deputies who must work in the soviet system, but in a republic, professional officials.

From these standpoints it is possible to understand one further aspect of our present troubles. It is not only that the state still exercises leadership of the whole economy (which is in itself unacceptable, even if we had a democratic republic), this state is, further, soviet and in contradiction with the very principles of the world experience of constitutional development.

The essence of restructuring in politics is the complete elimination of the soviets and the creation of normal institutions of democracy: a legislature, judiciary and executive. Desovietization in politics should correspond to the denationalization in the economy.

And, finally, the **nationality issue**. If the center lacks administrative power, if there is genuine democracy and if there is denationalization, what kind of USSR might there be? I believe that it would be replaced by national states. They could form this new union or the other in this composition or the other. But these future unions may only be a consequence of the emergence of independent states.

There are no other prospects, and any other plan of the solution of the national question would mean a covert or manifest renunciation of both denationalization and de-sovietization.

Only **defederalization**, deimperialization and, in the future, voluntary interstate associations are practicable. Such de-federalization is characteristic of national development in the 20th century—we recall the disintegration of Austro-Hungary and the disintegration of the British Empire. And we will have to do here what has been done by mankind long since.

Let us dwell in more detail on these three main problems of perestroika.

2. Denationalization

All problems of denationalization and destatization are concentrated around the questions:

Who will obtain the distributed property?

How much, in what quantity?

How—for a fee or free of charge?

Who will divide up the state property?

Let us take one of the best documents on this subject—the draft RSFSR Land Act.

The first solution is clear: Any citizen of the country has a right to land. Further, things become somewhat imprecise: Land may be obtained for a fee or free of charge. The third question is blurred also: Does a person who already lives in the countryside have preference in respect of the land or are the rights to the land really equal for any citizen of Russia?

And, the fourth and final question: Who will divide up the land and in accordance with what yardsticks? There is altogether here a manifest concession to those who are today in command of the countryside.

This question was tackled in the course of the peasant reform back in 1861. The tsarist government realized that on such an important issue conflicts between the peasants and the landowners were inevitable, and it preferred the following plan. At first the landowner and the peasants would try to come to an arrangement with one another themselves. If this happened, all well and good. If it did not? Then arbitrators appointed by the government and in receipt of wages from the government would have the final say. These arbitrators were independent of the parties concerned—both the landowners and the peasants. It is interesting that Lev Tolstoy was one such arbitrator.

But what do I hear from the rostrum of the Russian parliament? It is being argued whether the land will be divided up by the rural or rayon soviet. People want to give the local soviets the right to divide up the state property of the whole people. Even if these soviets are the most democratic, they reflect, for all that, the interests of those who elected them, that is, the interests of those who now live on the land. And the fate, for example, of thousands of Muscovites wishing to acquire land will be decided by deputies of a rural soviet elected by 200 inhabitants of three dying villages. It is not surprising that such local soviets are thinking not about how to more quickly give the land to those who will feed themselves and the country but about how to make money out of this and make themselves a kind of Arab emirate living on unearned income.

But an added reality is the fact that the local soviets will themselves divide up nothing. This will be the concern of the apparatus of these soviets. Also a reality is the fact that in practice the majority of rural soviets—and everyone knows this—are under the complete control of the director of the state farm or chairman of the collective farm, who feeds them, waters them, provides them with fuel in the winter and repairs their means of transport and refuels them.

The desire ultimately is to take the business of the sharing out of state land away from the Russian parliament virtually and give it to the local apparatus.

Land is just one example. Another is the situation concerning the stores. The present organs of leadership of trade are simply dying here in the Moscow City Soviet to settle the question of their privatization. The same organs that are currently keeping a mortal grip on these stores.

It is often said that *perestroika* is running in place and that nothing is changing. Such an assertion was true only for the period up to the 28th CPSU Congress. But since the congress the turbulent process of the sharing out of state property has begun.

The enacted Leasing Act, in circumvention of all others laws, is outpacing each and everything. At first leasing was contemplated virtually as the main form of denationalization. This interpretation of leasing essentially meant an attempt to preserve state ownership and the entire bureaucracy, since it was to the latter that the payment of the rent was due.

But there arose what was, seemingly, a technical question: What to do with the profits? If the tenant outfit has invested them in its enterprise, who is the owner of these investments? Rejecting the outfit's right to improve the affairs of the enterprise with the aid of investments of its own resources was irrational. Investments from one's "own" money had to be authorized. But it was then necessary to acknowledge the presence at the tenant enterprises of a growing proportion of property of the outfit and a gradual diminution in the leased amount. The consequence was clear: In a few years the plant would be the property of those who had invested their own resources. The logic of management compelled recognition of the right of the tenant to actual redemption of the leased enterprise. The lease was converted into two different forms: the lease in perpetuity and the lease as a form of redemption of property.

The Leasing Act predetermines the working people's **redemption** from the state, that is, the bureaucracy, of the means of production that these working people own according to the Constitution and that have been created by their labor. Pay for what is your own those who have taken this of yours away from you and from which they have distanced you.

However, the apparatus did not stop here. A new law on enterprises was prepared by the government and enacted

with enthusiasm at the USSR Supreme Soviet. According to this law, the principal character at the enterprise is once again the director and his apparatus.

Let us now compare the two laws. Since the real boss of the plant is the apparatus, it is the director and the apparatus who are the principal characters upon the transition to tenancy.

In other words, property should not simply be redeemed. Redemption has become the right of the director, his management, his apparatus. The working people have inevitably found themselves sidelined from redemption and privatization.

One further process. The ministries—both Union and republic—are being abolished. Concerns are being formed in their place. But the ministries were organs of administration. They administered others' state property. The state could abolish or reorganize them at any time. But the concerns are claiming to be no longer state organizations, they are laying claim to the role of proprietor. State property is being seized by the former ministries.

This has been clearly manifested here in Moscow. The concerns have occupied the buildings of the former ministries without authorization. But the Moscow City Soviet was required to give the buildings to the ministries as organs of the USSR and RSFSR Council of Ministers, inasmuch as Moscow is the capital. But Moscow has no obligations to any economic organization. And the buildings of the ministries—we are demanding—should be returned to the Moscow City Soviet. And it will then decide whether to admit to it this concern or the other or not and for what payment and whether to allow this concern in Moscow at all.

The claims of the concerns to these buildings were a part of their general claim: The concern considers the former state property that the ministry administered **its own**. What we have here is a seizure of property, but not now by the apparatus of an enterprise but the apparatus of a ministry.

The USSR Academy of Sciences also joined in the struggle for property and obtained it with the help of the president himself. Concern for the scientists allegedly. But in the Academy of Sciences—in accordance with its statutes—all is directed by a few hundred omnipotent and self-electing academicians. In practice, the president, by his edict on the status of the Academy of Sciences, put its property in the hands of the academic upper strata.

The same thing is behind the president's edict on the status of the higher educational institutions. He has once again virtually transferred their property to the leadership of the higher educational institutions.

The Moscow City Soviet is inundated with requests from various "public" organizations formed in the past by the CPSU that land, buildings, and so forth be made over to

their ownership. Since these organizations are nine-tenths composed of an apparatus appointed by the CPSU Central Committee, with semifictitious members, the request of an organization to the effect that it would like to be the proprietor of a building means in practice a request for the property to be given to the apparatus of this organization and, at times, simply its leaders. But they also need to prepare for life under the conditions of the market.

But the winner in the sharing out of property is the apparatus of the CPSU. Before its departure, the old Moscow City Soviet Executive Committee hastily made a list of the buildings on the balance sheet of the CPSU. Before this, printing plants, recreation facilities, hotels and state farms had systematically "gone" to the CPSU.

It is being said that there have been decisions of the soviets concerning the transfer of buildings or newspapers to the CPSU. I would like to see the soviets that would at that time have dared not adopt such a decision. But are we reversing court rulings on punitive measures, which were formerly legitimate, just because the confessions of the defendants were extracted by force? In what way is a confession in a torture chamber of participation in a conspiracy against the party different from the compulsory voting for the transfer to this party or a building or newspaper at a session of a soviet?

But even if something was financed by the CPSU itself, neither in this case may CPSU property be considered nonstate property since it was formed under the conditions of the CPSU's monopoly diktat over the state.

And in the past year the CPSU apparatus has been creating both joint ventures and cooperative enterprises. It is boldly "earning" both money and foreign currency.

A most typical feature is the fact that the apparatus of the party of the socialist choice is not investing a single ruble in the state sector, only in nonstate forms of enterprise.

On the one hand this is gratifying. The apparatus of the CPSU has, consequently, finally chosen in favor of privatization and the market.

But something else is obvious also: A version where party property is seen merely as property of the party apparatus, more precisely, of the leaders of this apparatus, has been chosen. The new CPSU Rules specially skirted around the cardinal question of who the owner of party property is.

The apparatus of the unions, the apparatus of the Communist Youth League and the apparatus of all other "drive belts" of the one-party dictatorship are not lagging behind the CPSU apparatus.

It is not hard to understand that state property in the Army will shortly be the property of the Army, that is, of the generals. The MVD will not lag behind the Army and so forth.

In a word, the process of destatization and denationalization is already under way. And if it is not being forced, covered up, and hidden, this is chiefly on account of the entire apparatus not being ready to become actively involved in this work.

And, second, on account of the disputes between Union, republic, and local apparatuses about which of them will undertake the destatization and of what.

We are faced with a clearly expressed approach to the sharing out of state property: the apparatus approach. And since the apparatus is a product of the past, there is just one conclusion: It is a question of a version of the sharing out of state property that is being accomplished by forces that took shape in administrative socialism—state, party, economic-management, and so-called public forces. The bureaucracy formed in the past wants to be the proprietor of the state property that it commanded and wishes to join the new society in a new capacity—as a proprietor.

This approach is that which is most important and most basic determining the present course of perestroyka.

Is there another alternative approach? Yes. The property of the state should be shared out by the highest authorities of the state—the organs of power and special bodies of a new type created by them and subordinate to them alone—bodies for the sharing out of state property. Initially the republics will decide what is left for the center, and the center itself will share out this its portion. Then the republic parliaments will decide what will be shared out by their authorities and what will be transferred for sharing out further down—to the local soviets. Destatization institutions, independent of all other authorities, will be formed both under the auspices of the parliaments of the republics and under the auspices of the local soviets.

Given such a plan, land also could come to be in the hands of the local soviet. But only part of the land, and from perfectly specific considerations (a rural soviet, for example, would share out the part of the land that, in accordance with general quotas, is due the local inhabitants).

The next problem is **who** may lay claim to state property. For example, may only the present organs of leadership of Moscow State University or some alternative organization created by the lecturers, if they conceive a desire to create such, lay claim to the property of Moscow University? Perhaps a group of lecturers in no way related to Moscow State University and wishing to create a free university might be an applicant?

From the democratic viewpoint, any citizen of the country should have the right to lay claim to his share of any state property.

But when it is a question of those who are already working at this property, it is essential to afford them not

an exclusive, but a priority right—the right to be the first in the general destatization and privatization line.

But if these first persons do not wish to become proprietors and do not wish to commence privatization, but there are at the same time applicants for this property "from outside," the destatization authorities will then be required to organize an auction.

One further question: What are the dimensions of what may be acquired upon destatization?

Apparatus denationalization will inevitably introduce **inequality**. What accrues to one proprietor within the framework of the Academy of Sciences could differ appreciably from what is obtained in the higher educational institutions. Those who remain on a state farm will retain "per capita" by no means the number of hectares that falls to the lot of the separating private farmer.

And the very logic of the past system, in which everyone worked for the common pot, requires not only that **each** citizen have the right to his share but also that the share of **one** be equal to the share of another.

The sole possible forms of inequality are as follows: children could receive less than adults; the able-bodied, more than retirees, and account may be taken among the able-bodied of their length of service, including service in housekeeping.

But the main, fundamental question of destatization is this: May state property be acquired for payment or free of charge?

The apparatus version gravitates toward nonchargeability (or symbolic chargeability) for itself and chargeability for everyone else. It was for this reason that the law on leasing was enacted so rapidly by the USSR Supreme Soviet—it intuitively sensed its "own interests".

The apparatus idea is as follows: You pay for land, you pay for a store. Immediately by redemption or gradually by leasing. But where is the ordinary citizen to get the money from? This is the second question. And to whom should payment be made? The ministry, the local soviet, the collective farm? What are they—the owners of state property? And the articles of former constitutions concerning common ownership were a fiction? And we were all farm laborers not of the state but a specific minister or director?

But there is also a democratic approach to denationalization: No redemption fee, one's share free of charge.

Here is a possible version.

On the one hand, the value of state property. On the other, the number of members of society. A bond is issued per 100 rubles [R] of state property. Children would receive 10 bonds, let us assume. Retirees, 20. All able-bodied persons have such-and-such a length of

service, housewives included. One year of labor service, it could be, might be good for R1,500 of property, that is, 15 bonds. And then a person who has worked for 20 years would receive bonds worth R30,000. These bonds could be used to pay for a newsstand acquired from the state or for one's share of stock at the plant.

If these bonds are insufficient, the problem of an extra payment from one's own money might then arise, of course.

If a person has no wish to purchase anything at all, the bonds may either be sold on a stock exchange or deposited with a bank for an annuity—depending on the kind of bank in which they are deposited and how efficiently this bank invests its resources.

The question of payment for one's legitimate share of state property and payment for a desire to take from the state a surplus amount of property, over and above the general quota, is sometimes confused. A worker receives bonds worth R15,000, but he needs at the plant to contribute R25,000. He, then, naturally, has to pay an additional amount. He either takes out credit or leases the plant. But this is an **additional payment**, not a charge.

The question of the equality of the rights of each member of society to state property and of the nonchargeability of this share predetermines citizens' political activity and the type of this activity. If all are equal, if I am equal to all when entering a society of inequality, if those who today have money do not have fundamental advantages over me, I will struggle ardently for changes. If, however, those who have managed to accumulate big money in the past are about to be the masters in the new society, is it worth struggling for changes?

For a redemption fee or free of charge—this is a question of the activity of millions in the de-statization process.

The question of whether for a fee or free of charge is the divide between the democrat and the apparatchik. The sole thing that may be argued is whether there should be one common pot of destatized property or several of these pots—fixed production and working capital, land, housing, funds of the sphere of circulation and so forth. There are pluses and minuses here both in the idea of a "common pot" and a uniform share and in the idea of several pots and different people in each of them.

Private property, various types of collective property and new state property may emerge on the basis of what each citizen receives. The state property of the future will not be chunks or remnants of the melting iceberg of the former socialist property. State property also will be fundamentally new since working at the state-owned enterprise will be people who have their own "capital" in the form of bonds, which they have not wanted to invest "in business," preferring to remain people working for the state for wages and to obtain income on their bonds over and above state wages.

It is clear that ultimately all bonds distributed among members of society will by the laws of commodity production be redistributed. Inequality will arise. But given democratic destatization, inequality will be the result of an equal start and honest competition.

But given apparatus destatization, there is inequality at the start even, and it is predetermined not by the laws of commodity production, but by what was characteristic of state-bureaucratic socialism. Of course, competition will do away with this inequality and create market inequality. Given the apparatus path, one bureaucratic inequality would, following destatization, turn into another—market inequality.

But in any event, given any approach, there is no perestroika without destatization. It is the foundation of everything.

[No 51, 15-22 Dec 90, pp 5-8]

[Text]

3. Desovietization

Whoever is in power currently in the Union, in the republics or locally—centrists, conservatives, or radicals—all are agreed on one point: The Soviet political mechanism has shown itself in the course of perestroika to be just as inefficient as the economic system of socialism.

It is very significant that this inefficiency has become particularly obvious and graphic following the democrats' victories at the elections to the soviets. Whereas the idea that the inadequate work of the Moscow City Soviet or the Leningrad City Soviet was connected with the monopoly on power of the Moscow City party committee or the Leningrad City CPSU Committee was proclaimed, it has become obvious since these soviets have come to be under the control of the democrats that it is not only and not so much a question of the leaders of the soviets as of the actual system of soviets as such.

In addition, the soviets under the CPSU at times appeared more efficient. Why? Because both under the CPSU and under the democrats the soviets remain what they were 70 years ago—a decoration not at all attuned to independent life. But under the CPSU the decoration was backed by the real administrative power of the party, and the decorations moved and got some things done. But under the democrats, the decoration soviets are not backed by any strong administrative hierarchy, and the movement of the decorations themselves is doing nothing, not becoming actions of the rayon party committees, party committees, the Procuracy, and so forth.

It is not surprising that it is the democrats who sense most keenly the inefficiency of the soviet system. But the apparatchiks also—in line with the weakening of the CPSU and the switch of its leaders to soviet offices—are

starting to become increasingly exasperated and are also becoming increasingly aware of the general unacceptability of the soviet system.

The course toward desovietization is even now, therefore, becoming and will in the very near future all the more become a universal slogan.

Limitation of the power of the soviets in general, concentration of parliaments on legislation, the conversion of local soviets from organs of power into organs of local self-government, that is, municipalities, creation of an independent judicial system—these are all components of desovietization. But the chief principal component is the population's direct election of the leaders of executive power of all levels: the president, governors, mayors, and elders, and the emergence of an executive authority independent of the soviets in terms of its composition.

It is clear even now that it is the executive authority that will be the key component of the political mechanism of the period of perestroika.

After all, the soviets, even if we limit their omnipotence and make them merely organs of representative legislative power, may accomplish two groups of tasks. First, do away by their laws and decisions with the legal foundations of the old mechanism. Second, adopt new laws and decisions, which would be the mainstay of the new mechanism. But in both cases, the soviets issue only instructions, and all this is, crudely put, just paper. In order that this paper do away in practice with something of that which is old and create something of that which is new, a mechanism of administrative procedure, a mechanism of execution, is needed. It is important here that the leaders of the executive authority be, as personalities, independent of the personalities of the legislators. There should be an intermediary between the personalities of the deputies and the personalities of the executives—the law. The executives should actively execute the law, without looking over their shoulders at the personalities of the legislators. For this reason, the top leaders of the executive authority should be elected by the same population that elects the deputies.

In speaking about the policy of limiting the power of the soviets we need to bear in mind not only the overall policy of desovietization. It is a question of the composition of the present soviets here also.

The deputies—democrats particularly—were elected primarily not as the representatives of some parties or other but in their personal capacity. They are free and accountable to no one other than the electorate. Counting on the stability of their actions in this situation is difficult. Further, behind these deputies are not the forces of the new society, but the old structures and the social groups and their political positions corresponding to them. The deputies are reflecting what should not be preserved, what should be changed. From this viewpoint, the deputies' positions and their voting cannot be stable either.

It is not surprising that the new soviets are operating more or less steadily in two aspects: when it is necessary to do away with what is old and when it is necessary to determine the most general policies for the future. But as soon as it is necessary to decide something specific, a spread of the deputies' opinions reflecting the spread of opinions of the strata of the present society and their ambivalent attitude toward the future emerges. Endless debate, which simply cannot culminate in the adoption of some constructive decisions, arises. And the reason is not the personalities of the deputies but the soviet system itself.

Behind this incapacity for adopting anything other than the most general declarations concerning perestroika are not only the personal singularities of the present corps of deputies and the particular features of its formation, but also singularities of the social base.

Everything is far more complicated. The point being that the new, postperestroika system is not growing naturally from the past, from administrative socialism. On the contrary, it is having to be implanted artificially, from outside, on the redug field of the former system. Denationalization and desovietization are having to come from outside. Just as, incidentally, administrative socialism itself came from the outside. True, there is a giant difference also: Socialism came as something artificial, but the market should return as something natural. But the very process is in both cases a process of implantation, not of growth.

There ensues from this fundamental fact the conclusion that organs of power composed of deputies rejecting the composition of the old society may easily do away with their detested and blind-alley society, but can create little of anything in the way of exchange since what has to come is by no means a product of general accord.

Although everyone, following perestroika, will live immeasurably better, a society of inequality has to emerge, and unity is not to be expected here. **The very nature of the system that is to emerge immediately limits the possibilities of the mass representative bodies for building this society and predetermines in advance the emphasis on executive power as the main instrument of transition from the old to the new.**

It is for the executive power—by virtue of its narrower nature—**easier to operate** in the spirit of what needs to be created.

And the general nature of the laws enacted by the soviets itself sharply increases the significance of the executive authority drawing up **specific solutions** based on these laws.

The nature of the changes, which are inevitably linked with several stages, and the possibility at one of these stages of the emergence of a serious deterioration in the situation as a temporary phenomenon, dictate additionally the need for the preservation of the continuity of

power at all stages. And once again it is the executive authority that is more suited to being the **exponent of continuity**.

In a word, dozens of factors indicate that the executive authority should be the main power at the stage of perestroika. Just as at the stage of demolition of the old system the soviets were the main power.

It ensues from what has been said that in the period of perestroika **the establishment of a particular regime of executive power is the sole version of the political mechanism.**

Obviously, the course toward a strong executive power will for two or three years be general.

It will be the democrats who will have the greatest difficulty accepting this course here. Some split in their ranks cannot be ruled out. But at the same time you cannot be a supporter of real perestroika and not come to the conclusions concerning the role of administrative rule that have been expounded.

What is the difference in approach of the apparatus and the democrats to the problem of a strengthening of the executive authority and is there such at all?

It is perfectly natural that the two versions of denationalization predetermine and cannot fail to predetermine different approaches to realization of the idea of the administrative mechanism of perestroika also.

The apparatus approach consists of it being necessary to elect the head of the executive authority—presidents of the Union and the republics—by the votes of the legislative body (the congress or supreme soviet). Naturally, the right to replace the president is reserved to these bodies, which it is, for all that, easier for the apparatus to monitor than for the whole population.

And the apparatus version presupposes the appointment of all leaders of the executive authority at lower levels by decisions of the presidents (and their removal also).

Democrats believe that the public should elect the presidents by direct ballot.

Further, democrats believe that the leaders of the executive authority of krays, oblasts and other entities should also be elected by the public.

They should, of course, be subordinate to a superior administrator, but he himself cannot replace them without putting the matter to public vote.

Given the democratic version, the parliaments of the country and the republics not responsible for the election of the president and free in terms of supervision of him are his actual opponents.

Given the apparatus version, when a parliament elects a president, this parliament begins to be responsible for its choice and is inclined to be not an opponent of the president but a continuation of presidential authority.

Given the democratic version, local municipalities may raise the matter of the replacement of a governor or mayor, appealing to their electorate, since this same electorate elected both the municipality and the mayor. But given the appointment of a mayor or governor from above, the rights of the local elective authorities are very limited, and the governor himself is wholly dependent on those who appointed him.

Given the democratic version of desovietization, a complex system of the relationships of the elective governor emerges: with the president of the republic and with his own municipality. It is necessary to determine in law all versions of the resolution of disputes.

This is what is proposed in a draft for Moscow. The mayor is elected by Moscow. The Moscow City Soviet, the same. The mayor may veto a decision of the Moscow City Soviet. But if upon a repeat discussion the Moscow City Soviet by two-thirds vote of its established members upholds its decision, the veto does not stand. The mayor is required to agree with this decision or conduct in the city a referendum or pass the matter on to the RSFSR level.

If the Moscow City Soviet wants special mayoral elections, a two-thirds vote to apply to the RSFSR is needed. The leadership of the RSFSR will decide whether to replace the mayor or the Moscow City Soviet.

If the RSFSR wishes to replace the mayor ahead of time, the consent of two-thirds of the Moscow City Soviet is required. If this is lacking, the RSFSR may only schedule new elections for the Moscow City Soviet itself.

As we can see, in the democratic version of executive power there is no precision of unadorned administrative rule: I appoint, I replace, I command.

But, on the other hand, there is in this version every safeguard against nonconsideration of the lines of top and bottom. Subordination to the top here is ensured by an intricate path, which forces the top to take this path not when it wants to insist on having its own way but when no other way out remains and there is a real need for it. It would be revealed in the course of a number of procedures whether people wish to replace a mayor for refractoriness or whether it is a question of the country's interests.

The top ascertains for itself in the course of these same procedures whether it is a question of the willfulness of the mayor himself or whether there is behind this the stable desire of a majority of the population of the city, of which account has to be taken.

The elementary "I appoint—I replace—I command" version is simpler, but more dangerous for serious work. More dangerous in its prospect of mistakes and the prospect of totalitarianism.

The democratic version creates a more stable executive power, although the procedure of interaction and, even more, the solution of conflicts is more complex here.

But it is the direct electivity of executive leaders at the lowest levels that is the guarantee against trends toward dictatorship, that is inevitably present given any strengthening of the executive authority in the center.

Such is an outline of the versions of the restructuring of the political mechanism—"desovietization".

4. Defederalization

If de-state-ization occurs and if proprietors and a market emerge, it will be impossible conceiving of the continuation of the USSR without the voluntary consent of those who live in this country today.

But what about now, how should the problem of the USSR be approached today?

One approach to the fate of the USSR proceeds from the fact that the borders of the republics established under Stalin are not an ideal that needs to be idolized.

It is astonishing that even those who are fully prepared to reject both the former economic system and the former political system are immediately ready, as soon as it becomes a question of borders, to consider I.V. Stalin a super-genius: He foresaw borders decades ahead.

But even had Stalin drawn borders ideally, how can it be a question of reverence for borders after three-quarters of a century of the subsequent unrestricted migration of millions of former peasants torn away from the land and after three-quarters of a century of a policy of capital investments that gave no serious thought to borders?

In addition, if there is some further explanation for the borders of the republics (although a moment of a given nation's infinite history "advantageous" to it is usually taken as the criterion), the borders of the autonomous formations, which frequently did not exist at all in the form of states, were more than arbitrary when they were being drawn even.

To whom is it profitable to advance the criterion of borders? It is the apparatus that clings to the borders. What is most characteristic here is that not only the interests of the old apparatus but also the interests of the new, democratic apparatus coalesce here. And the latter is struggling for the borders more doggedly, what is more, since it feels more confident thanks to its election victory.

A profound split is occurring among democrats even who are in agreement with one another on everything else in the sphere of defederalization.

The apparatus version of defederalization takes as the basis the idea of the sovereignty of the republics. This approach is entirely logical when the borders of the republics actually reflect the settlement of the people. But in Estonia there are Russian cities and whole areas, in Georgia there is Abkhazia, in Azerbaijan there is Karabakh, in Moldova there are the Gagauz and Dnestr areas, in Lithuania, Polish areas. And it is altogether

difficult speaking about the RSFSR since this is a repetition of the whole USSR, only on a narrower scale. There are here the borders of Tataria and Bashkiria and Ingushetia and heaven knows what else besides! The situation is no better in Kazakhstan.

Given this layout, the apparatus policy of preserving borders is a tug-of-war policy. A show-of-strength policy. A policy of the inevitable relocation of millions of people or long interethnic conflicts within republics that have upheld their borders.

Hoping that a growth of prosperity will lessen these conflicts is possible only within certain limits. After all, there are conflicts not only in the USSR, but everywhere that borders have been taken as a basis without a full consideration of all factors. India we know about. But even in prosperous Britain there is Ulster, and in Spain, the Basque separatists.

The advantage of the apparatus version of defederalization—the possibility in sovereign republics of accelerating economic and political reforms—at times attracts the democrats also. But these democrats, who have become the apparatus in "their" republic, stand somewhat apart.

The apparatus version would have a second cycle. After the republics have acquired sovereignty, conflicts within them, in the RSFSR particularly, are inevitable.

Is there an alternative to the apparatus path of defederalization?

Aware of the entire contradictoriness of apparatus defederalization, A.D. Sakharov put forward in his draft constitution an idea dazzling in its profundity and clearly underestimated by all of us—orientation not toward borders but toward nations at the time of the election of deputies of the Union parliament.

It seems to me that the main thing in this idea of Andrey Dmitrievich's is nonrecognition of the present borders of the republics as the main yardstick in the dismantling of the USSR. And I agree with him fully.

In principle the democratic version of defederalization could be realized in two subversions.

The first: All borders are declared nonexistent for the transitional period. The USSR is declared a single state, as it in fact was in all the years of the dictatorship of the CPSU.

There are more than sufficient grounds for such an approach in the sphere of the economy since for dozens of years the country's property was formed without regard for borders and should, strictly speaking, be divided up among all citizens of the country, not by republic.

Given this version, all denationalization is effected from the center.

Following denationalization comes the defederalization stage. A referendum is held by areas of the country (the most divided, preferably) on the republic in which the inhabitants of the area would like to live, and 30, 40 or even 50 independent states, perhaps, would take shape, in accordance with the majority vote, in place of the USSR.

A system of unrestricted relocation would be adopted whereby the republics from which people depart would be required to incur all expenditure, including the building of homes in the new places of residence and travel from the republics only when these homes are ready.

The independent republics within new borders would form democratic authorities. And then these republics would decide where a new union of republics is necessary. Whether it would have subunions (a union of Russian republics—Russia—for example, or a union of several Ukrainian republics—the Ukraine—or a common union of Russia, the Ukraine and Belorussia).

This subversion presupposes a very strong center enjoying the trust of all democrats and all republics.

This subversion is unrealistic today, but is still possible as long as there is a single army and when people are already confronted with the appalling specter of interethnic carnage in the event of an orientation toward preservation of the present borders upon secession from the USSR.

The second subversion of democratic defederalization is the holding of a referendum now, prior to denationalization, and the specification of republics' borders per the results of this referendum.

The theoretical results of this referendum could be a diminution in Estonia and Moldavia on account of areas with a preponderant nonindigenous population, appreciable changes in the borders between Tataria or Bashkiria, the secession of South Ossetia from Georgia, and Karabakh from Azerbaijan, the detachment of the Crimea from the Ukraine, and many others. But however significant they appear, the prospect of interethnic carnage in the event of a rejection of these changes is immeasurably more dreadful. This is a very difficult path now, but it promises a lessening of disputes in the future. And it could be realized now, while the country has a single army.

In a word, we would initially specify the borders of all the republics. And then the division of property by republic, and the denationalization would be performed by the republics themselves.

In both subversions the republic may be a union republic, autonomous republic, part of an autonomous republic and an autonomous oblast even, if the territory on which this people constitutes the majority is large enough.

It should be said candidly that even among democrats the democratic version of defederalization does not have the support of the majority. For this reason its prospects are the least realistic in the whole set of measures of democratic restructuring.

But it is not difficult to imagine something else also: If in national building the apparatus version succeeds, the realization of democratic versions in the economy and politics will be made more difficult, considerably more difficult. Indeed, what kind of democratic sharing out of property in a republic among all its citizens is possible if these citizens are involved in an inter-ethnic conflict? It is sufficient to recall Karabakh or Fergana.

If there is something that is most dangerous for true perestroika, it is the problem of de-federalization.

Nonetheless, it is the duty of the democrat to put forward the democratic version of defederalization, however unrealistic it might appear, which is what I am doing.

5. Two Versions of Perestroika

As we can see, granted all the numerous versions of the solution of problems, two polar-opposite, central versions stand out absolutely unambiguously in the processes of defederalization, denationalization and desovietization: apparatus and democratic.

There is an intrinsic connection here between the apparatus approach to the restructuring of the economy and the apparatus approach to the restructuring of the political mechanism and the national arrangement. There is, therefore, every reason to attempt to evaluate both versions of perestroika as a whole as a single set of measures in the sphere of the economy, politics and national arrangement.

From the viewpoint of the forces behind both versions it should be mentioned that there are behind both the apparatus and democratic versions forces of the old society of administrative socialism that is being removed.

Only behind the apparatus version are the directive bureaucracy of state socialism (party, soviet, and economic-management and of the "public" organizations under the jurisdiction of the party) and the forces of the shadow economy. Behind the democratic version are all the other circles of society, very, very heterogeneous in terms of their position, their interests and their future following perestroika, but united in their rejection of the apparatus approach to the transformations.

The supporters of the apparatus approach are well organized and experienced. True, experience of leadership in the system of bureaucratic socialism (just like the experience of underhand maneuvers in this same system) is far from what is required by the market economy and the mechanism of political democracy. And far from all geniuses when it comes to apparatus games and specialists in the bribery of government officials will become

entrepreneurs. But the apparatus does, for all that, have some experience of the manipulation of people and property, and this experience is strengthening the positions of the apparatus, particularly in the transitional period.

Another base of advantages of the apparatus path is the presence within the apparatus of the leadership of the armed forces, the law enforcement authorities and the courts.

The strength of this version is, further, the fact that the impending inequality of the market economy is easily "accommodated" in the apparatus approaches, in the approaches of the shadow economy operators even more.

The weakness is mutual competition, in general, plus heightened competition between national detachments of the apparatus. Another weakness is that the apparatus still bears in the minds of the masses the responsibility for past and present difficulties. Not only general responsibility but frequently direct, personally attached, specific responsibility also. Yet another weakness is the coalescence with the shadow economy and corruption. For some figures of the apparatus the prospect of some exposures is very real. It is this that at times is pushing even intelligent leaders into the camp of supporters of this version. The apparatus is being sharply weakened by the people's profound distrust even of wholly necessary measures if this apparatus is their sponsor.

Owing to the nature of their mass base, the supporters of the democratic version are gravitating toward populism, wage-leveling, and justice. This is not always combined with the market, competition and a strengthening of administrative authority. There is, therefore, a constant danger of a split among the democrats. The democrats lack core personnel and experience.

The strength of the democratic version is popularity, assertiveness and resolve. The majority of participants in the transformations here have nothing to lose, and they are ready for the most logical changes.

From the viewpoint of the start of the process of perestroika, the two versions coincide: They both recognize the need to conclude the Soviet state-socialist experiment and open the way to commodity production and a democratic republic.

From the viewpoint of the end result, the two versions coincide also: In both cases the system of state socialism is demolished and replaced by a new system corresponding to the present level of human civilization.

The intermediate process in the two versions is identical also: All those who have acquired state property will be "boiled down" in the pot of competition. All parties will be boiled down in the pot of democracy.

Those who display a capacity for being an entrepreneur will strengthen their positions. Those who cannot or do not want to be an entrepreneur will, following initial attempts, depart business.

And parties, organizations, newspapers and so forth will be recocked in the pot of political democracy. Those that find in the new society strata of the population whose interests they express will survive.

So no one is guaranteeing either specific apparatchiks (should they win) or specific democrats (should they win) anything stable at the end of perestroika.

What, then, is the difference between the apparatus and democratic versions? There is a difference, and a very appreciable one at that.

The difference is primarily a matter of who is at the starting line upon the transition to the market.

The apparatus version gives a preferential right to be entrepreneurs to the present apparatchiks (they have the offices) or the present operators of the shadow economy (they have the money). The ordinary man—lacking office, power, connections and money—may only get to be an entrepreneur, given this version, with tremendous difficulty.

Everyone moves to the starting line given the democratic version. Everyone has roughly equal starting conditions. Everyone has a package of bonds to start his business. Of course, even given the democratic version, the apparatchiks would still have a "start" on this starting line—the operators of the shadow economy would have a "start" also. But this "start" is relative. And it is in the democratic version that all gifted forces of the people would have an opportunity to really become involved immediately in business, in an upturn of the economy and in the country's revival.

The analogy of the Prussian and American paths of development of capitalism in farming in the 19th and at the start of the 20th centuries is appropriate here.

Given the Prussian way, activity on the land was performed only by the landowners, only they had an opportunity to become capitalists.

Given the American way, the right to farm and the right to land following the North's victory over the South was acquired, thanks to Lincoln's laws, by any U.S. citizen. And it was this way that created such a phenomenon as American farming, where five percent of the population both feeds its own country and has for dozens of years saved the Communists in the USSR from starvation even.

Given the apparatus version, a tilt is made in advance toward the present monsters of the economy—large-scale enterprises, collective and state farms, trusts, concerns, publishing houses, the Academy of Sciences, and the higher educational institutions. As a result the

dangers of monopolism, diktat, the impeding of S&T progress, and so forth are real.

The very nature of the democratic version is oriented toward the mass of small businesses, precludes the prospects of a compact, and creates the strongest competition, which quickly casts aside the incapable and rapidly advances the most efficient and adroit. And if it is considered that at the end of the 20th century the role of small businesses and organizations as those that are most flexible and more responsive to innovations and receptive to the reaction of the consumer is increasing throughout the world, it is the democratic version of perestroika that is more in keeping with the trends of world development and the accelerated progress of engineering and technology.

The democratic version will lessen in the ordinary citizen fear in the face of the market economy. After all, this version gives everyone a package of shares in property. It accordingly makes everyone a supporter of perestroika.

The apparatus version, at a minimum, orients millions of ordinary people toward passive expectation and a new type of dependency.

But even given the most truncated apparatus democracy, there will be such nonetheless. There will be no perestroika without it. For this reason, given the apparatus version, the assertive actions of the working people against the newly sprung businessmen from the oblast and rayon party committees cannot be ruled out. Nor can we rule out these actions being headed by no means by democrats but a variety of neo-Bolshevik successors of Leninism. They could not alter the course of history, but they would have opportunities for holding back development and damaging the life of the country for years.

The versions of perestroika also mean the question of the burden thereof for the people. Perestroika is altogether a difficult process. The decades of servility before the partocracy will have to be paid for, paid for by everyone, despite the blame being various. But the democratic version would give the worker—even if he does not wish to become an entrepreneur—some income from his property bonds and would provide a kind of safeguard when entering the waves of real perestroika.

The apparatus version calls for adversities to be borne for the sake of the future market, for the sake of a future normal life. But such promises and appeals set the people's teeth on edge, even if on this occasion there is some truth to them. The apparatus version would force the people to give the apparatus property free of charge and would force everyone else to pay for the property a redemption fee. The people would have to pay the apparatus in order that this apparatus might remain the leader in the new society also, but no longer in the part of servant of the people but in the part of proprietors and managers.

Given the democratic version, the pace of change would be the most rapid of those possible. Given the apparatus version, the country would have to wait until the stratum of apparatchiks that had seized the property had learned to do business. And although, as I have mentioned, both the apparatchiks and operators of the shadow economy have skills, it cannot be forgotten that both are the legitimate children of the inefficient system of socialism. They were skillful here, in its offices. But it is not fortuitous that not one of the operators of the shadow economy who left for the West has yet become anything remarkable in the world of normal business. An ability to penetrate offices and bribe leaders—these are not the principal levers of the modern market. For this reason the apparatus version, oriented toward these people, promises serious burdens for the country and a slow pace of change. As a group of tourists proceeds, oriented toward the feeblest of the participants, so the apparatus path also would force the country to move at a pace that suits the participant in the transformations most unprepared for change—the apparatus.

Ultimately the question of the versions of perestroika is a question of who its master will be. Will it be led only by those who held sway in the country earlier or will all forces of society join in the action. The apparatus version proceeds from its profound belief that no one in the country other than those occupying positions in the apparatus can really get perestroika going.

The democratic version proceeds first and foremost from an influx of qualitatively new forces from all strata of society, from the apparatus also, naturally, since some eternal instructor will become a true entrepreneur given the democratic version.

The democratic version is, as Bulat Okudzhava's song about the last trolley bus says, when "your passengers, your sailors lend a hand."

The democratic version is when the whole crew and all the passengers are summoned to save the ship, but the apparatus version is when only the captain and his assistants try to save the ship.

I have deliberately stretched the extreme poles of the possible versions of perestroika. There could in practice be a variety of combinations thereof also.

But for an understanding of our entire reality an approach from the standpoints not only of the three main tasks of perestroika—denationalization, defederalization and desovietization—but also of the two main versions of their accomplishment—apparatus and democratic—is what is most important.

It is the struggle between the two versions of perestroika that even today explains and determines the entire present situation.

It is easy to see this for oneself by analyzing the main programs offered the country today.

[Sections 6 and 7 devoted to an analysis of specific problems of perestroika in G.Kh. Popov's MS have been omitted from OGONEK.]

8. Strategy of the Democratic Forces

Let us assume that it has been possible to formulate a democratic program of perestroika, although this, as we can see in the example of the nationality issue, is in itself very difficult. The question then arises as to who might realize this program and how.

First of all, it is obvious that the apparatus could not implement this program—it would mean for it the loss of all present privileges.

Neither could the center implement this program since in the six years since 1985, the center has gradually reduced its possibilities. Pieces are all the while breaking off from this iceberg, going to the republics, to the apparatus and to the democrats. Even now the center can no longer in itself do anything without entering into a coalition on the left or on the right.

That leaves the following potential possibilities:

- the democratic platform is realized by the democrats, having taken power;
- the democratic platform is realized by democrats, having taken power, but concluding agreements with the center and part of the apparatus;
- a coalition under the leadership of the center, but incorporating democrats and part of the apparatus, embarks on realization of the democratic platform.

The first version would seem to be the best: democratic authorities—democratic platform. But things are rarely simple in politics.

First and foremost: Is the democrats' taking of all power possible and realistic? And if this happens, could they in this case successfully realize the democratic platform?

In order to take power, it is necessary to inflict a powerful defeat on the apparatus. This would mean violence. It would be necessary to raise up all the masses and throw them into battle—to include the most backward detachments of the working people. And violence would necessarily degenerate into terror and bloodshed. We went through all this after October 1917.

Reliance on all strata of the working people would inevitably bring about a powerful tilt in the direction of equalization and force us to forget about social protection as such, without regard for the interests of market mechanisms.

In this situation it would be difficult to develop private enterprise and competition and ruthlessly pursue a policy of instruction in a school of unemployment in the skills of efficient labor.

The democrats whom we have now are not democrats of a market economy. They are democrats raised in the soil of the decomposition of bureaucratic socialism, nurtured by the ideological tenets of this system and bearing all the filth of its putrefaction.

Such democrats could in themselves organize carnage and cleanse the country or the apparatus and exact vengeance for the past, but they are unsuitable for the creation of what development demands.

This is a version of the collapse of both the USSR and the RSFSR since the democrats, by virtue of their ideology, would retain no one by force, and their policy of equalization would repel the republics that have prospects of living better than the average.

The democrats' incompetence in leadership and the weakness of their apparatus would complicate progress even further.

The growth of difficulties given this version could intensify not a perestroika but an antiperestroika mood since all antiperestroika forces would be operating legally given a purely democratic version of power. The West's assistance could not be great since "struggle against exploiters" would, given this version, occupy a considerable place. The West could at best help us in purchases of our raw material. Combined with the insufficient stimulation of technical progress typical of all wage-leveling systems, the prospect of the country becoming a raw material appendage of the world economy would be increasingly real.

But the most dangerous thing would be the degeneration of the democrats who had taken power. Encountering difficulties and unwilling to acknowledge themselves their authors, the democrats might begin to look for enemies outside of and within themselves. We have already been through this school also.

Of course, the version of the democrats' taking of power could emerge as forced—as in 1917, when the Bolsheviks did not so much take power as find themselves, in the words of Herbert Wells, on a ship from which the whole crew had fled.

But even in a situation in which the democrats were "left" in power the path of purely democratic power is far from the best for realization of the democratic version of perestroika. Such is the paradox of history.

The analysis of the possibility of the practical implementation of the democratic version in the RSFSR and, even more, in the USSR as a whole, and the examination of all social groups of society, their positions and their attitudes toward the system that was and that is to emerge led me to the following conclusions (I will not adduce here the course of my reasoning on this matter, this is a separate important topic; I will confine myself merely to the conclusions at which I arrived).

Despite the possibility and the undoubted advantages of the democratic version of perestroika, the actual state of

society as a whole and the democratic forces in particular after 70 years of the total domination of state socialism does not allow us—now and in the immediate future, at least—to hope for realization of the democratic version by the powers of the democrats. This is the principal difference between the USSR and the other socialist countries.

Does this mean that we should not struggle for this version? On the contrary. The experience of the struggle of the party of Chernyshevskiy for the American version of the abolition of serfdom in the 19th century shows that the democrats' active struggle for their path, even if it did not bring them victory, even if they, as a whole, were defeated, had a giant impact on the entire course of reform in the country, and the middle line of the reform shifted appreciably in a progressive direction.

And, on the contrary, the path of total confrontation with the tsarist government, the path of People's Freedom Movement terror, the path of assassination of the tsar, chosen by the revolutionary forces following the arrest of Chernyshevskiy inevitably shifted the general line of Russia's development to the right, strengthened the conservatives, applied the brakes to the reforms in Russia compared with the same reforms that had begun in the same period in the United States and Japan and ultimately plunged Russia into the tragedy of the 20th century.

The line that if the democratic path is futile it is necessary to agree to a total severance with the apparatus version and to combat it with all means, the line of "no compromise," is a line to which people have recourse given exceptionally negligible forces, it is a line of desperation.

Therefore, while remaining a supporter of the democratic path, but evaluating the situation realistically, I concluded that there are two practicable strategies of realization of this path:

—struggle for coalition versions of perestroika;

—the democratic opposition of the minority to the apparatus path, which would be realized by the forces predominant in society.

As can be traced easily from my articles, going into the 1989 elections I considered practical only the second path—opposition. It would have remained the sole path for democrats had the apparatus not proven its incapacity for taking its own path, continuing to oppose perestroika as such. As a result, the democrats strengthened their positions appreciably in 1989-1990, and created conditions for the emergence of the coalition versions.

The experience of the democrats' taking of power locally shows that when the democrats take power, they can at best control the soviet (and even then inefficiently at times), but they are absolutely unprepared for themselves creating an administrative system, that is, what is

the main thing for perestroyka, when it switches from the demolition of the old to the creation of the new. They lack the core personnel and experience. The democrats are not in a position to professionally combat the resistance of the apparatus and are beginning to slide toward dictatorship and terror. And the departure from the camp of the democrats of the "populists," who are altogether opposed to a strengthening of administrative power, is making even harder the creation of strong executive authorities.

The apparatus, on the other hand, has everything for building the administrative machinery of perestroyka. But the apparatus has let time slip. Its authority among the people has declined in recent years. And the apparatus' hopes of acquiring executive authority without the support of the masses are now highly unrealistic.

Attempts by the apparatus to realize its program and create its own executive system today, given the level of political consciousness in society that has already taken shape and the degree of polarization of its forces, would inevitably give rise to conflicts.

Therefore, there logically arises the idea of coalitions, which would create the political system that perestroyka needs and its central component—elective administrative authorities.

The apparatus would bring to this coalition strength, personnel and experience. It would involve therein the Army, the militia, and KGB. The democrats would bring to the coalition the trust of the masses and their support and would secure support for the coalition in the legislative and other elective bodies where they are in the majority.

It is a coalition that could count on large-scale assistance from the West, that is, the switching on of an important reserve of perestroyka.

It is a coalition that would preserve as part of the Union of SSR [Soviet Socialist Republics] the maximum number of republics since they would have confidence in it.

Two coalition versions are possible:

- under the leadership of the apparatus;**
- under the leadership of the democrats.**

In practice this version of a coalition or the other has already emerged.

The version of a coalition under the influence of the democrats has emerged in Moscow and in Russia as a whole, and at Union level there were in August signs of a readiness for a coalition under the leadership of the center, the president.

It is clear that any coalition means not only agreement but also rupture. For the democrats a coalition with the apparatus would mean tension in relations with their

extreme radical left wing. For the apparatus an alliance with the democrats would mean tension in relations with the conservative groups of the apparatus.

For this reason a coalition is not an alliance of all democrats and the whole apparatus. It is an alliance of some democrats and part of the apparatus.

It is the course toward a coalition that could alone be the strategy today for those who wish not only to proclaim but also to realize the democratic version of perestroyka.

INVESTMENT, PRICES, BUDGET, FINANCE

Coordinated Price Policy Needed for Market Stabilization

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[Article by V. Shprygin, doctor of economic sciences and director of the Scientific Research Institute for Prices: "The Market and Prices"]

[Text] Today few people doubt that improvement of the economy requires the development of market relations, although not everyone welcomes that. After all, the laws of the market are very severe. They steadily result in the selection of workers according to the criteria of economic efficiency, forcing them to work at full speed. But there are no alternatives to the development of a market economy, and questions only arise concerning the nature of a practical approach to the problem. Improvement of society's sociopolitical climate depends on how successfully we are able resolve the problem and satisfy in the near future at least the most urgent demands for the basic goods which determine the living standard.

As the experience of countries with market economies shows, the transition to a market is a fairly lengthy process consisting of more than one decade even for countries which have had production and economic conditions that were more prepared for it. As a result, we consider a forced transition to a market unrealistic, never mind a "leap," given our unbalanced economy and huge disproportions in the national economy. It can only be a question of cautiously grounding the economy in market relations and avoiding hasty actions and, as we have seen more than once, extreme measures. Unfortunately there is a danger of just this happening. This danger exists, in the first place, because in a number of instances the transition to the market is taking place as the result of granting producers of goods full freedom in regard to their obligations to one another, even though production has reached such a level of interconnection today that without ties between partners none of them can function effectively. The result of the violation of such ties is a reduction in the quantity of agreements concluded in a timely manner between enterprises and a drop in the discipline of goods deliveries. On 1 September 1989 about 50 percent of the enterprises had

completed agreements for the delivery of output; on that same date in 1990 only 20 percent had done so, which means that the drawing up of production plans of many enterprises for 1991 may be threatened with failure. In the second place, with the acknowledgement of the equality of different forms of property, the transition to market relations is increasingly tied to the need for a repudiation on the part of the government of any type of interference in the process of regulating the economy, which, in our opinion, should not be allowed. Practice shows that the market is effectively regulated by current, not long-term, demands of society. As a result, in order to resolve the tasks of the long-term development of the national economy and of technical progress, the central organs of administration should work out interregional programs and programs for the social protection of the population and the migration of the labor force. Questions of ecology, protection of the rights of consumers, and the nonmonopolistic development of industries, that is to say those that have Union significance, also remain under their jurisdiction. And finally, coordination of the development of republic markets and of their unification in an all-Union market should be carried out at the Union level. This is why development of the market is viewed as a regulated process.

Price reform has special significance for improving the economy and establishing a market. We may say without exaggeration that the existing price system is a fundamental brake on the development of the national economy. Its defects affect the activities of all spheres of the country's economic life and, most importantly, they are beginning to have an increasingly negative affect on questions of maintaining the living standard and are leading to a noticeable social stratification of society.

All this has naturally led to the need to conduct a comprehensive reform of the price system, not a partial reform and modernization of its individual elements. This should be especially emphasized because several economists, when raising questions about the need to increase wholesale and purchase prices, at the same time propose postponing reforms of retail prices until the future. It is impossible to agree with this, primarily because the greatest quantity of defects have accumulated precisely in the system of retail prices, which are inseparably linked with the system of wholesale, purchase, and estimated prices. However, as a result of conducting a so-called policy of stabilizing retail prices despite repeated changes in wholesale and purchase prices, they have been completely torn away from this base and have lost any link with the social desirability of the goods. At the same time subsidies of the state budget to cover losses from the sale of consumer goods has increased from 3.5 billion rubles [R] in 1965 to more than R110 billion at present.

The only things that remain profitable are production of a small quantity of goods of light industry, cars, jewels, tobacco, and perhaps wine and vodka production. But

you cannot build a reasonable economic policy on a "drinker's" budget, as the people have accurately nicknamed it.

The constant postponement of reforms of retail prices has led to a system for the functioning of the economy in which, as a result of artificial maintenance of low prices, a veil is drawn over mistakes and failures in implementing socioeconomic policy and the appearance is created of low prices for goods and concern for the welfare of citizens in the face of a constant decline in the living standard.

What is the essence of price reform, its goal? Many people suppose that its realization will permit us to replenish the financial budget of the state. This is not true. The essence of the reform consists in normalizing the system of prices by correcting defects and deformations existing in it. Thus, we are speaking of a fundamentally new system which, actively defending consumer interests, will react flexibly to the state of the market and have an effective influence on production and consumption of output. In this fashion it should contribute to the restoration of normal commercial ties and goods-and-money relations between enterprises, regions, and Union republics.

It is not easy to create such a system of prices. The task is complicated not only by the scale of the changes but also by the conditions under which the transition to a market economy is taking place, particularly society's huge deficit, the lack of balance in the market, the tensions in social policy, the decline in the population's real income, the presence of a large quantity of monopolized industries, etc. All these factors must be taken into account when it is a question of the principles of constructing a new price system.

Several approaches to creating such a system exist depending on the different ways of making the transition to a market. The market mechanism is the true regulator of production, permitting demand to be quickly regulated using prices. As a result many economists are attracted by the idea of bringing our economy out of its crisis by means of a fast, complete transition to market methods of management, at the base of which lie free prices. In this fashion they propose a variant which will allow us to complete a "leap" to the market in the shortest possible time, handing up to 80-90 percent and even 100 percent of goods over to free pricing. It should be noted that all by itself this idea does not give rise to any objections, and we already have some practical experience in the matter—contractual prices and the right of enterprises to determine such prices themselves on a substantial quantity of products manufactured by them. About 30 percent of all prices were established on the basis of free pricing in 1990. As a result, there is no benefit in asking whether or not free prices are necessary. Furthermore, as we see, it is impossible to come up with a proposal for a fundamental new approach to the transition to free prices. The mechanism of the formation of free prices, as well as their consequences, have

already been studied closely in practice. But this is just what compels us to be careful when approaching the immediate and universal application of free prices.

Partisans of complete and free price formation propose, as an argument in its favor, that the market itself will level out free prices. They, more than other prices, are able to bring balance to the consumer market and, at the same time, essentially set right the financial budget of the state. This really is true, but the tasks of price reform are far broader. The market may be brought into balance with the aid of high prices at the same time that there are quite significant disproportions in the national economy. But the main cause for the crisis condition of the economy and the market's lack of balance should be sought not in the sphere of consumption but in the sphere of production, and they are connected with the disproportions in the national economy. An example of this is the aggravated situation on the food market, which may not be explained merely by the defects of pricing or, for example, the wage system. To a significant extent, if not the main extent, the troublesome situation on the market of consumer goods is explained by the general backwardness, poor technical support of agriculture, low productivity, violation of equivalence in exchange between agriculture and other sectors of the national economy, and finally—neglect of its social sphere.

In order to satisfy the population's demand for food, we will have to make fundamental changes in many production structures. Industry and other sectors of the national economy are confronted with similar tasks. As everyone knows, there exists in industry a production structure that is entirely weighted in favor of the development of the raw material sectors with a relatively small share of those sectors of the light, textile, footwear, and food industries that work directly for the needs of people. This is the source of the constant failure to satisfy the demands of the population for many consumer goods and the tensions on the consumer market. Therefore, one of the chief tasks of pricing reform consists of using prices to effect a change in production structures directed at increasing their share of those sectors which produce consumer goods. This also affects the place of the market in the system of production relations. Accordingly, the turn toward the market should also be viewed as an opportunity to increase the efficiency of production and eliminate disproportions in the national economy. Consequently the transition to free prices should also be carried out to the degree that it contributes to the achievement of this goal. One must also take into consideration how the completely free formation of prices would affect the citizens' budgets and their socio-economic situation. Unfortunately, there are no guarantees that it would not get worse. On the contrary, there is every reason to affirm that under free formation of prices the position of many citizens, especially lower and middle income citizens, would worsen, and significantly at that. Today's condition of the economy and the shortage of goods is such that complete loss of control

over prices may lead to chaos in production and demand and increases in prices on the majority of goods, which in the end will result not in inflation but in hyperinflation, the extent of which is difficult to predict today. In addition there is no certainty that such inflation will not have a tendency to keep increasing. On the contrary, this will be the tendency to the degree that the structure of the national economy is deformed in favor of the sectors of the raw material complex with weak development of those sectors which produce consumer goods. Indeed, free prices presuppose an end to losses in production. Therefore, at first they will rise to a level that makes up for all production costs. We will recall that in the government's program not full but only partial compensation of costs through prices is proposed, with the maintenance of a certain level of subsidies for a number of goods. But even with this kind of compensation of costs, prices for food goods will more than double and those for nonconsumer goods will increase by 30 percent. If we allow free prices, under conditions of the market's lack of balance they will be subject to the strong influence of demand, as a consequence of which prices will increase still more, even substantially inasmuch as the unsatisfied demand for many goods is significant. In particular, the increase for vegetable oil will be 38 percent, for sugar—more than 50 percent, for meat and sausage—38 percent, for clothing—20 percent, for footwear—30 percent, for toothpaste—50 percent, etc. As a result, under free price formation prices may increase to much greater extents than proposed by the government's program. In order to avoid their uncontrolled growth under the influence of demand for the aforementioned goods and, at the same time, not to allow a decline in the standard of living, the state will need to purchase imported goods. By the end of the year it is proposed to allot approximately another R2 billion for this goal.

In this fashion, if the government's program proceeds from the need to normalize prices on the basis of the least necessary increase in prices with subsequent stabilization, while guaranteeing social protection of the population from possible negative consequences connected with the increase in prices, then the transition to free pricing may lead to a creeping increase in prices with the absence of effective measures of social protection of the population. As a result our economy will once more be dealing with false cost criteria and the resulting inflationary processes.

Something else must also be taken into consideration. A market mechanism presupposes stiff competition, which will unavoidably lead to the bankruptcy of the most economically weak and unprofitable enterprises (incidentally, they comprise more than 10 percent of industry in our country, and in agriculture there are 9,000 such kolkhozes [collective farms] and sovkhozes [state farms]). One may with confidence say that a universal transition to free prices will deliberately doom these enterprises to unprofitableness and add new enterprises to this category, which will aggravate a sociopsychological situation in society that is already tense. Under these

conditions is it really possible, without taking into account the realities of life, to agree with the proposal to transfer all prices over to free formation merely because that corresponds more with the concept of a market mechanism? Similar consequences arise with the transition of domestic price formation to world prices as well, but with even more unforeseeable consequences. The problem is that world prices are formed by the state of the markets of countries which have far higher labor productivity and production structures that are different from ours. In this fashion, world prices reflect the economic conditions of those countries. Forcible introduction of world prices to the economy of our country will destroy the existing structures. Many enterprises and even sectors as a whole will simply have to close down because of their unprofitableness, low productivity, and weak technical support. This will affect, first and foremost, such sectors as agriculture and the light and food industries, that is to say those sectors without which the existence of our country is impossible. It means either curtailing production of consumer goods, purchasing them abroad and falling into greater debt which will have to be paid off sooner or later, or subsidizing these sectors and to a still greater degree deforming the system of prices, that is to say doing the very thing we are trying to avoid when we carry out a reform of prices. The need to strengthen these sectors economically and technically is apparent.

The only sectors which will fully withstand the transition to world prices are the raw material sectors. But we must not become a raw-materials appendage of the world's developed countries. As a result it is too early to speak of a transition to world prices. At first we must raise the competitiveness of domestic industry and agriculture, fundamentally reorganize technological processes, and significantly raise the technical level of many sectors. All of this indicates that for some time world prices will still remain something of a reference point for our economy, although a process of moving domestic prices closer to world prices will be underway. In particular, the reform will essentially permit us to move them closer for the fuel and energy complex and for many other material resources representing base sectors of the economy.

A successful transition to the market is determined by the maturity of the economy and the preparation of the enterprises and sectors for it. Today many of them, on the contrary, are in need of some form of adaptation to conditions of a market economy. But inasmuch as many proportions are deformed in the national economy, we consume, for example, coal where it would be preferable to consume natural gas or oil, and we use oil where under normal conditions coal would be more profitable. The energy, metallurgical, timber, and agro-industrial complexes also contain such distortions.

But deformed structures also give rise to deformed free prices which do not reflect socially necessary expenses and create false reference points when increasing labor efficiency and carrying out an investment policy, which distorts production structures still more. Consequently,

we need a simultaneous reexamination of prices and their movement closer to socially necessary labor costs with the purpose of using prices to influence a change in production structures.

Calculations show that for this prices should be raised on the production of heavy industry and machine building by approximately 50 percent, including prices on coal by 80 percent, natural gas—a factor of two, oil—a factor of 2.3, and wood and timber—74 percent. Purchase prices are increased by 32 percent. Simultaneously, with the goal of improving the general economic situation in the countryside and improving the social conditions of the agricultural worker, a ruling has been adopted to write off the entire previously extended debt of the kolkhozes and sovkhozes to the state worth R70 billion. The methodological approach to the formation of all types of prices—wholesale, purchase, estimated, and retail—is changing fundamentally. As for purchase prices, the most significant changes are connected with the repudiation of their excessive linkage with zones, reduction in the number of prices approved at the Union level, and the introduction of certain adjustments in the policy of subsidizing processing sectors of the agro-industrial complex. The transition to the establishment of purchase prices according to consolidated zones does not at all represent a complete repudiation of the possibility of a certain differentiation in prices within the framework of those zones; that is to say such a differentiation is permissible, but the republics themselves should conduct it.

The transition to methods of market price formation naturally raises the question of introducing certain adjustments in the policy of subsidizing unprofitable industries. It is quite clear that we will not succeed in completely repudiating subsidization of the processing sectors of the agro-industrial complex. Otherwise this would have a significant effect on the increase in retail prices. But the role of subsidies as an economic instrument for encouraging enterprises to increase volumes of production output should be changed. They should be established for output of the end product. If, for example, a meat plant purchases 100,000 tons of meat from the population but only manufactures 10,000-20,000 tons of meat products, then to end the losses of 80,000-90,000 tons it should be paid subsidies not for its meat purchases but for its output of the finished product.

As for the reduction in the number of price zones, we are pursuing the goal of supporting the necessary economic opportunities for production in specialized zones that have a low cost.

In this fashion, the reform of prices will permit us to have an influence, using economic methods, changes in production structures. At the same time it will create favorable conditions for the operation of sectors of the national economy on principles of cost recovery and for bringing workers' wages into correspondence with the share of the national income created in these sectors. Simultaneously with measures to adapt enterprises to

market conditions of management, it is necessary to begin a transition to free pricing that is gradual with regard for the readiness of the market and the creation for enterprises of appropriate economic conditions.

The broadening of the economic independence of the republics, regions and enterprises raises the question of introducing fundamental changes in the process of administering price formation and of repudiating dictate and control on the part of the center.

The changes taking place in the system of administering price formation that concern the distribution of rights to establish prices between the center and the Union republics and enterprises, local soviets, etc.), are directly connected with the future state system of the country and with the demarcations between all-Union and other forms of property. If the Union of republics is acknowledged to be a state as a whole, then the center should be allotted the appropriate all-Union rights for administering and coordinating the actions of the republic.

All-Union property is created with the goal of realizing interests (and programs, problems, etc.) which are common to all the citizens (and republics) of the country. This defines those rights which in the realm of formation of prices should be allotted to the center. Beyond any doubt, the center should retain the right to establish prices for a quite limited circle of the most important goods. They will form the framework of a system of prices by means of which the state should influence the situation on the market, form basic proportions in the national economy, and, of course, provide guarantees of a minimum living standard. Proceeding from this, prices should be established at the Union level for various types of bread, meat, milk, sunflower oil, sugar, etc. as well as basic mass light industry and consumer goods that go into the shopping bag. Unfortunately, this situation is being violated. Independent increases in prices by some Union republics are deforming the system of prices even more and are consequently leading to a worsening of disproportions in the national economy. Witnessing this, the autonomous republics, oblasts, and city, rayon, and even settlement soviets which make up those republics have also begun to violate price discipline. And under these conditions there is no longer occasion to talk about strengthening the all-Union market and establishing equivalency of exchange in the results of labor between republics and regions. From this we conclude that we need a legislative act prohibiting anyone from arbitrarily changing prices on goods at the Union level.

If prices on basic mass consumer goods should be established by the center, then goods not in mass demand should be governed by free prices which flexibly and, perhaps, daily react to the state of the market. Correspondingly, the number of centrally established prices should be sharply reduced—approximately from 70-80 to 30-35 percent. In our opinion, in order to enter the market "gently" and not to make any irreversible mistakes in price formation, regulated prices, representing a stage in the change to free prices, should exist

during the transitional stage to the market simultaneously with firm and free prices.

The prices on price lists are formed under the influence of long-term national economic proportions and are established for an unlimited period of time; by comparison, the state should use regulated prices to influence current demand. In particular, the prices should reflect seasonal or temporary fluctuations in demand.

It should be noted that with the acknowledgement of the equality of different forms of property ownership, all prices, independent of the owner's relation to output, become market prices. Each owner, whether it be an individual producer, a cooperative, or a joint-stock or state enterprise, in defense of its interests, will propose its own price for the item; but the final price, the demand for the item, and the recognition of its usefulness will be determined directly on the market. Under these conditions each owner becomes a full partner in economic relations and at the same time any dictate in the establishment of prices on the part of any organ is ruled out. The market begins to dictate prices directly on the basis of competition between producers for the sale of goods. Whoever offers the lowest price for his item will sell it faster. Thus, as a result of the reform of pricing, relations between production and the market change fundamentally. Previously the producer, as he established prices on the overwhelming majority of goods, dictated conditions for the functioning of the market and thus regulated it; now the market will directly determine prices on the overwhelming majority of goods and thus exert a regulating influence on production.

By presenting the republics and enterprises with broad rights in the realm of establishing prices, the state will defend the interests of society, chiefly through tax policy and certain deductions from profits, and through the design of laws and rules regulating price formation which should be unified for the entire country. Without that there can be no thought of the normal functioning of a market.

The current reform differs from preceding reexaminations of prices for the following reason—at its base, when prices are being established at the Union level, lies the principle of their coordination with each republic. Demarcation of rights and obligations between the center and the republics and a broadening of the realm for the use of free prices will allow us to keep to a minimum the number of products for which a centralized increase in prices should be carried out. Prices on a number of goods should in general remain without change. These are first and foremost goods that are required on a daily basis and determine the living standard of the workers.

It is completely natural that if the state raises prices it is obligated to guarantee people that their living standard will not decline. We will recall that the goal of the current reform is to normalize the system of prices, not to replenish the state budget by increasing them. Therefore

the state should compensate the population for the entire sum connected with the increase in prices. Such a system corresponds to a great degree with principles of social justice. But it is necessary to observe an important condition—compensatory payments to the republics should be carried out only in the event that they observe national pricing discipline.

An effective financial and credit policy and reduction of the state budget are of special significance in the normalization of the pricing system and in the reduction of tensions on the consumer market. This is understandable. After all, a price is a monetary expression of value. Therefore if the financial system is out of balance even as the ruble is backed up, prices may still rise despite the fact that the cost of production of goods will go down. In many ways this is exactly how things stand at present. One of the reasons is the presence of a huge surplus mass of money giving rise to panic buying on the market.

According to various opinions, the total of excess money on the consumer market (not counting money set aside by the population for use in the future) is R60-100 billion. A similar or larger sum of excess money exists in the realm of the production market. Previously the finances of enterprises were literally consumed and the enterprises suffered from a shortage of money; today, on the contrary, enterprises are flush with finances. The market is already suffering from the surplus of money inasmuch as a "flight" from money has begun. Under conditions of a shortage of goods and a creeping rise in prices, the people, in order to get rid of the depreciating money, have begun to buy up practically all the goods that are for sale. This has given a powerful boost to the increase in prices and the worsened market disproportions. A similar situation exists on the market of means of production. As a result we have the problem of "tying down" the excess money. A number of economists propose to resolve the problem through the wide-spread sale of state property into private hands. We believe that such a measure will not give the expected result. The money that has been set aside by the majority of the population represents targeted accumulation ("for old age" or for the purchase of certain goods). Few people will use it to purchase shares of stocks, enterprises, or any other goods. In addition, these accumulations for the most part consist of small sums. But even if we succeed in attracting significant sums of the population's money for the purchase of state property, the problem of "tying down" the money will still not be resolved. In this fashion one may resolve the problem of balancing the budget and eliminating its deficit to some degree, but we will hardly succeed in completely righting the financial situation. After all, the chief source of the constant monetary imbalance—disproportions in the national economy—are preserved. The disturbed disproportions in the national economy—the unjustifiable predominance in the national economy of sectors of heavy industry—result in the fact that no less than R20-30 billion in the form of a surplus mass of money go onto the market of consumer goods and services every year in

the form of the wages of workers of industry and other sectors; and the market cannot service that money. Therefore the chief condition for righting the financial system should not be "tying down" the money through the sale of state property but rather the elimination of existing disproportions in the national economy, *perestroika* of its inner structure, and a turn toward a consumer market. If we do not succeed in carrying this out, the danger arises that we will have a balanced budget at the same time as an unbalanced financial policy. Financial improvement of the country should be based on interaction between the state, enterprise, and population through improvement of tax and credit policy.

In this fashion, balancing of the market through development of goods-and-money relations, creation of a united, country-wide system of price formation, strengthening the purchasing power of the ruble and increasing its role as a national currency, and improvement of the entire financial system—this is the main path for setting right our economy.

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Budget Debate Viewed, Solutions Proposed

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[Article by S. Aleksashenko, candidate of economic sciences; and Ye. Yasin, professor; doctor of economic sciences: "The Budget Drama. Its Consequences for the Nation as a Whole and for Each Individual"]

[Text] The bomb exploded. After Russia's Supreme Soviet adopted the republic budget and approved the contribution of 23.4 billion rubles to the union budget, i.e., a sum of 119 billion rubles less than the current year, V.S. Pavlov, USSR minister of finance, and the president himself explained the consequences of this decision at the Fourth Congress of People's Deputies. But prior to this the budget problem had somehow escaped public attention.

Our country is on the brink of economic chaos. While this is connected with many factors, one of the principal factors is the surfeit of empty money in economic circulation and the commodity-monetary imbalance, the direct consequence of which is the scarcity problem that has tormented us. While it has always been a part of the bureaucratic command system, it has now acquired simply unprecedented scale. Scarcity can easily be eliminated by merely removing price controls. Prices will rise to the level where demand and supply are in balance and scarcity will vanish. But if this is all that is done, there will be few who will be able to purchase the goods that appear in the stores. Higher prices will inevitably result in higher incomes and hence higher production costs. This will give impetus to a new price rise and so forth. The result is the inflationary spiral with its numerous regrettable consequences.

In order to prevent this or at least to keep inflation within allowable limits, it is first of all necessary to block flows of surplus money entering the economy through credit and the budget.

Principal among them today is the budget because in recent years it has taken more and more money from Gosbank to cover its deficit, while leaving less and less for the economy.

At the end of last year they remembered. The USSR Supreme Soviet set the upper limit of the deficit for 1990 at 60 billion [rubles]. The year is now coming to an end and the USSR Ministry of Finance expects this sum to be exceeded by 3-4 billion [rubles]. According to our estimates, the excess will be about 20 billion [rubles].

What about the draft budget for the coming year? After more or less realistically assessing the situation (the production slump, tax reduction approved by the Union Supreme Soviet and the new social programs adopted by it, higher spending on other items), the finance minister named 190 billion rubles as the increase in the entire budget system's deficit. To this we must add at least this year's official deficit whereupon the sum will grow to at least 250 billion rubles; budget revenues are expected to total only about 350-400 billion rubles. Thus the actual deficit vis-a-vis revenues may be 65-70 percent of this sum. Knowing what happened in the economy when the indicators were smaller, we can imagine what will happen in 1991 if everything is left as it is.

But the draft budget was submitted to the USSR Supreme Soviet in much more favorable form. Measures were taken. First, considering the differentiation of union and republic budgets, the union budget alone was submitted with a deficit of only 13 billion rubles or 5.2 percent of the anticipated revenues; together with the republic budgets—59 billion rubles, the republics' share of which is 46 billion rubles or at least 12-15 percent of their revenues.

However, let us look at the specific measures that were taken.

The budget is always based on certain economic forecasts. In the given instance, this is what happened: if the first variant was based on the prevision of a continuing slump in production, it has now been decided to proceed from the assumption that it will grow by at least two or three percent. Thus expected profit tax revenues, on paper naturally, will increase substantially.

Approximately the same methods were used to evaluate future revenues from foreign economic activity even though the volume of foreign trade is expected to decline while the introduction of new wholesale prices—even if the volume of trade turnover remains stable—should reduce revenues from exports and imports by 3-5 billion rubles.

It is further assumed that turnover tax revenues will remain at the level of 118 billion rubles. It must be

considered that an increase in wholesale and purchase prices will reduce the volume of turnover tax by approximately one-third and it will be possible to obtain the planned sum only if retail prices are raised. But the raising of these prices will require the payment of compensation and the introduction of an income indexing system, and if the population's losses are compensated entirely, the budget will realize no gain whatsoever. World practice shows, however, that compensation and indexing promote the growth of incomes and prices and stimulate inflation. Only the liberalization of retail prices of a wide range of goods and incomplete compensation can yield an effect. But it is essential that republics and the population agree to this.

According to our estimates, unreliable revenues in the last budget variant will total only 40-60 billion rubles.

There is a solution and it was in principle indicated in the finance ministry's proposals: sales tax. Many foreign experts we have had occasion to talk with have emphasized: under inflationary conditions, the budget must be based on incomes that grow without delay together with the growth of prices. Otherwise budget expenditures will always grow faster and it will be impossible to control the deficit. From this point of view, profit tax is the most unsuitable source: profit is calculated with delay and there are thousands of ways of understating it and of avoiding taxation, especially with our nascent tax inspec-torate. Sales tax and its twin—turnover tax—are most suitable in our situation.

Now concerning expenditures. That we must live according to our means has been repeated countless times in recent years. But it turns out that we cannot. More precisely: that which could be curtailed painlessly has for the most part not been curtailed. One is fearful of going on. Therefore, defense expenditures that are nominal at any rate will reach 100 billion rubles. It is said that price increases must be considered. But according to the government's plan, wholesale prices must rise by an average 43-45 percent, while according to our calculations, expenditures on purchases of arms, on military organizational development, and on scientific research for defense are increasing by 70-75 percent.

Allocations for science are increasing by 52.7 percent. But is science's effort so very intense?

No provision is made for certain items of expenditure, including, for example, such important items as the maintenance of the employment service and unemployment compensation.

And, finally, our present budget is predominantly a social guardianship budget [byudzhet sotsialnoy opeki]. More than 100 billion [rubles] are retail price subsidies; 30 billion are for housing construction and housing maintenance. Sixty-seven and one-half percent of all expenditures are for social needs. New social programs that will require another 47 billion rubles in 1991 alone have been adopted. Expenditures in this sphere will be

reduced, thereby affecting the interests of millions and evoking their resistance. Not every government can allow itself to do this.

Thus analysis shows that the draft budget that has been submitted reflects not so much an actual reduction in the budget deficit as the result of "methodological" manipulations with the aim of improving the summary balance on paper. In actual fact, the deficit of 250 billion rubles for 1991 remains in effect. This is a signal of approaching catastrophe whose consequences we lack the words to describe. We are being flooded with empty money that is disrupting the economy entirely.

The possibility of such a turn of events was known back in August and September. Now, with each passing day, it is becoming increasingly difficult to halt the slide into the abyss.

But there is now one more, obviously most difficult obstacle on the road: disagreements between the Union and republics. The USSR Ministry of Finance has essentially done nothing to resolve the contradictions, and has adopted the formal position of observing adopted union legislation. At the same time, as we have seen the union budget deficit has to a considerable degree been reduced by shifting the larger part of it to republic budgets.

What can the republics, that have up to now always balanced their expenditures on the basis of the union budget, do under these conditions? One possible way is to keep revenues earmarked for the Union. This is what Uzbekistan did previously when it warned that if it did not receive subvention in the requisite quantity, it would either keep all taxes for its own budget or would raise cotton prices. The Baltic republics have refused to make any transfer of funds to the Union whatsoever. And, finally, Russia has now caused a commotion by reducing profit tax rates for enterprises under republic jurisdiction and by significantly increasing expenditures, including a twofold increase in expenditures in the agrarian sector, and agrees to allocate the Union only 23.4 billion rubles for financing "coordinated programs." What will happen if every republic allocates to the Union whatever it deems possible?

A point of information: according to all indicators, Russia's share is a little more than half. Thus if all republics act similarly, the union republic will have difficulty collecting 40-50 billion [rubles], whereas planned expenditures total 261 billion rubles. Behind these billions are the wages of millions of people, the army, and the Chernobyl and Aral programs. It is possible to brush aside these realities, but is this the best way out for politicians who consider themselves democrats? Is it possible to continue to talk about agreement, but to not agree to any kind of concessions in actual fact? What does one achieve by doing so?

It is clear that we must radically alter the budget system on the basis of the new interrelations of the Union and the republics.

But is this the time to launch theoretical discussions and to squabble about who is chopping off more at a time when the country needs financial normalization most of all, while it has no idea of the balance of its revenues and expenditures? Can we just imagine what will happen to all of us if agreement is not reached in the immediate future? If instead of strict financial order, everyone begins pulling a blanket over himself and as a result of this the economy is covered with a new flow of "Soviet banknotes."

And it is necessary to understand one more thing: we are all bound together here by a single string. No one can go it alone. No one can use a piece that is snatched away or the fruits of economies if others are wasteful. And neither ration cards, nor coupons, nor custom-houses, nor games involving the relatively more rapid rise of prices and incomes will save anyone because every such step will be a declaration of economic war on neighbors who will react immediately and plunge into the abyss all together without allowing one another to come to the surface.

Today everyone must be permeated with an awareness of the extreme nature of the situation and the possibility of finding a way out of it only in unison. The main thing is not to divide income but to eliminate scarcity through joint efforts. The time has come for a decisive turn in financial policy when everyone must make sacrifices for the sake of the common good.

But what must be done?

First, all republics must immediately sign a temporary economic agreement for 1991 and must arrive at any opinion as long as it is a unified opinion about revenues and expenditures. It is essential to make reciprocal concessions. We can return to a discussion of the principles of the budget system as of the beginning of the new year.

Second, we must publicize the actual data on and forecasts of the development of the financial situation so that the public would know the nature of the threat that hangs over the nation. Without this, it will be impossible to convince anyone of the need for strict, decisive measures. We must act on the basis of the worst-case scenario, create reserves, and make the transition to the formulation of quarterly budgets for 1991, considering the indeterminacy of the situation and possible rates of inflation.

Third, we must change the very conception of the formulation of Union and republic budgets and give priority to the reduction of expenditures because it alone leads directly to stabilization. Expenditures on defense, science, investment, government, and social programs [must be] revised downward once more.

We understand all the difficulties of formulating the budget under existing conditions. When one knows the possible consequences of cutbacks in allocations, one is

involuntarily inclined toward moderation, avoiding abrupt movements or, if possible, shifting the load to others.

Cutting expenditures is most difficult of all. Whoever does so is followed by curses everywhere. Is this not why the government, numerous departments, and republics argue that cost reduction is unrealistic, that it threatens incommensurate losses, etc. But if a catastrophe comes tomorrow, the losses will be immeasurably greater, and it will be necessary to cut off a leg and not just a finger.

Fourth, the budget's revenue base must be strengthened primarily by turnover tax and sales tax. They will ensure stable receipts when production declines and prices rise and will make it possible to reduce the budget deficit to the minimum (not more than 25-30 billion rubles) that could be achieved by selling state securities, and to finance rising expenditures on indexing and other items. Only a reduction of other expenditures, including expenditures on price subsidies, will make it possible to make the tax burden more moderate.

Fifth, prices should be liberalized soon and to the greatest possible degree and inevitable inflation should be used as a financial normalization factor.

Sixth, stabilization funds should be formed and made independent of the government. They should only be used to support enterprises experiencing difficulties that are beyond their control and only under certain conditions that guarantee their increased effectiveness and solvency.

Today it is impossible to go too far sounding the alarm concerning the state of the budget. The persons who participate directly or indirectly in its formation bear enormous responsibility whether or not they are aware of what they are creating. This applies to the union government. It applies to republic leaders who block all efforts at financial normalization, who do not wish to "waive their principles."

Today society must remind all these persons of their responsibility. Political ambitions must not be allowed to become a tragedy for the people.

Economic Separatism Impedes Solution of Budget, Tax Problems

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[Interview with USSR Council of Ministers Commission for Economic Reform Deputy Chairman Stanislav Assekritov by RABOCHAYA TRIBUNA editor Valeriy Badov of the department for new methods of economic management: "Two Locomotives on One Track—To Whom We Are Paying Taxes, or Reflections on an Extraordinary Budget"]

[Text]

[Badov] President M. Gorbachev, in his New Year's address to the Soviet people, defined the country's situation as a crisis. We are entering a year without an approved state budget for the first time ever. The treasury is empty. These words are unfortunately reality and not metaphor. The president promulgated two ukazes at the beginning of the year to replenish the treasury through new types of taxes and duties on enterprises. What made these ukazes necessary? Did the dramatic decision of the Russian parliament not to make payments to the all-union budget affect the former amounts of tax funds?

[Assekritov] The proposal to create an allocation to stabilize the economy was born long before the all-union parliament found out how the Russian budget would take shape. This was a program measure. And the president, when he was reporting the "Basic Guidelines" to the legislators, mentioned the creation of special allocations that would make it possible to provide for the least painful transition to a market economy. They were envisaged in the well-known "500 days" program as well, by the way. The reality is such that far from all of the "poor" enterprises are unprofitable today, and have low profits only due to bad management. Some, light industry for example, were pre-ordained to live from hand to mouth. They—the stepchildren of the command system—could prove to be in a worse position in the conversion to the market than in all the years before. The funds of the special allocations should be utilized to see that the weak and impoverished are not turned loose into the world without the munificence of the state under the harsh conditions of the market, when the state removes its wardship of every producer. There are also problems of a nationwide and republic nature and interregional programs that should also be implemented through such stabilization allocations. Virtually all economists and business managers are in agreement with this. The formation of these allocations is in no way a reply to the decision of the Russian Federation to cut its contribution to the all-union budget by almost four times. There are completely different causal links here.

The sales tax is really a completely new measure and is quite decisive, associated chiefly with the inordinate budget deficit that is keeping all of us in a state of acute alarm. Both the all-union and the republic budgets have enormous deficits. The sales tax is not being instituted to replenish the all-union treasury alone. It is aimed to an even greater extent, as can be seen from the president's ukaz, at supporting the republic budgets. Some 70 percent of the funds collected are being directed namely to the republics. This tax has been instituted in order to save social programs that have already been adopted by the USSR Supreme Soviet and the parliaments of the union republics. They were unfortunately adopted in many cases without serious economic substantiation.

[Badov] Could it be said that the legislators wrote a kind of rubber check?

[Assekritov] Undoubtedly. Everyone remembers the stormy debates when the issue of raising pensions and aid to families with many children was being discussed. The legislators were pursuing the noble aim of helping those not so well off or suffering from the high prices. Checks revealed that there was no income for this expense. But it must be fulfilled. There accordingly has to be another source—and so the five-percent sales tax appeared.

[Badov] This obviously means to the ordinary shopper that every purchase will cost him five percent more?

[Assekritov] That is close to the truth, but not every purchase... The government nonetheless envisages that the liberalization of prices, as the chief trend, will be accompanied by certain social guarantees as well. There should be a list of the basic types of foodstuffs and socially significant goods for which the state intends to maintain firm and stable prices. These include bread, sugar, milk, children's goods, medicines... The five-percent mark-up will not, in my opinion, extend to them. All raw-material resources will have a five-percent surcharge in transactions among enterprises. All of this should be noted in detail in the statute on the procedure for computing and utilizing the funds from this tax.

[Badov] What will these new taxes amount to?

[Assekritov] About 100 billion rubles, according to the calculations of Minfin [Ministry of Finance]. The net proceeds to the treasury will be about 60-70 billion rubles, allowing for the fact that these steps will entail a rise in the cost of products and, that means, a loss of some profits. They will be directed to social purposes.

[Badov] Will the larger weight of these charges fall on the consumer or the enterprise?

[Assekritov] If we are talking about the stabilization allocation, the weight will lie on the shoulders of the enterprises, and not on all of them either. The population will not feel this. These funds are called off-budget. They will be utilized strictly for their dedicated purpose. The procedure for spending them will be determined by the all-union and republic governments. The funds from this allocation, as can be seen from the text of the ukaz, will go to finance investment, scientific and technical programs and the conversion of defense production. And this is another subsidy for the individual republics. They must certainly be preserved so as to provide for the functioning of the sectors of the economy in the republics that work for the needs of the whole Soviet Union. Financial assistance will also be rendered to those enterprises that prove to be in a difficult situation. We must proceed from the fact that we will not, after all, be entering the market on January 1. We have been drawn into this process over the course of the whole last year. The government has made many decisions that are aimed at stabilizing the economy, and that includes some tough ones. A rise in interest rates on credit, for example. Many enterprises cannot afford the credit they lived on before. That means they will have to be helped

for a time. It is very important (this is not stated directly in the ukaz, but I hope that it will be recorded in black and white in the statute on the utilization of those funds) that the terms of the financial assistance of the enterprises be strictly framed. The former "social-security" approach, where the enterprise losses are sufficient "grounds," as it were, for the receipt of subsidies will not work. The administrators of the stabilization allocation will advance reciprocal terms. Like what? The replacement of poor management, the retrofitting of production, a sharp cutback in expenses, especially nonproductive ones... We are assuming that bankruptcies will appear as well. There could prove to be quite a considerable amount of them. It is also obvious that such measures as a special management regimen for those on the verge of bankruptcy could appear as well.

[Badov] Those enterprises that are foundering but still afloat will be taken under someone's wing?

[Assekritov] Yes. This is something new in domestic financial policy and in management. The main thing is that those who will be distributing the financial assistance should be independent of the decisions. I am inclined to feel that the allocations should be distributed by joint decisions. With the participation of representatives of the republic, if the discussion concerns the all-union allocation for spending on nationwide programs. Or on such a delicate matter as the size of the subsidies to individual republics.

[Badov] It looks like the former procedure of continuous subsidies for the republics, caused by the imperfections in our pricing system, should be continued under the market as well?

[Assekritov] I would like to see this period be as brief as possible. The confusion and complexity of the redistribution processes that we are always implementing at the central level have led to many republics and sectors entering the market in a very difficult position. There can moreover be no discussion of any complete equivalence of the starting conditions, as many are saying. That is utopia. Every goods producer entering into market relations is tempting fate. There are other regulators at work here—the interest rates for credit, tax breaks, prices... The subject of market relations should act exclusively and only as a free goods producer, facing neither boundaries nor tariff barriers within the union.

[Badov] The market economy is extra-territorial?

[Assekritov] That is completely true, even transnational.

[Badov] Another understanding of the role of the producers is being displayed by the Russian Federation. It is taking on the distribution of resources that are produced on its territory, concluding intergovernmental agreements with the republics. How much does this conform to world practices in market relations? It seems that not one Western government makes agreements with another on the amounts of deliveries, prices or delivery guarantees.

[Assekritov] And why should they? Intergovernmental trade agreements exist.

[Badov] But that's what CEMA had before...

[Assekritov] Something of the sort is also encountered in world practice. Any developed state has its own interests and its own property that it has the right to dispose of.

[Badov] That is a special case, when the state acts as the subject of a deal.

[Assekritov] I agree completely. And thus when the discussion concerns such agreements as, say, those between Russia and the Baltic republics, the discussion should of course proceed, in the context of market relations, on the conditions for the greatest favorability in trade and not on mutual delivery volumes.

[Badov] Or else you get, on the one hand, the republics concluding direct contracts on delivery volumes, and on the other closing their own markets. Are these agreements really "market" ones by nature? They circumvent, as it were, the elementary position that only the producer is the subject of market relations. The enterprise, regardless of an agreement signed "on high," may also not conclude deals with its trading partner if it sees no advantage for itself in it. And then the very foundation of the agreement is undermined. It becomes simply a piece of paper, because it is written in the law that the state does not answer for the obligations of the enterprise—and vice versa. These agreements, in other words, issued as the new foundation of economic policy, are, in my opinion, a throwback to the old, unfit state-planning mechanism.

[Assekritov] That is perhaps too sharp an assessment. We value the steps of the "Yeltsin command" as an attempt to find new forms of relations. Although I am more impressed, for example, by the draft plan for a temporary economic agreement that has been proposed by the president of the country, which stipulates not the size of delivery obligations, but rather the conditions that must be observed in the creation and functioning of the nationwide market that is coming into being. And these foundations, on which the proposed economic agreement is based, have been very well received. Almost all of the union republics have expressed support for this treaty. But Russia, unfortunately, has taken a different stance. Its leaders, and then the Supreme Court of the RSFSR, have repudiated the proposed concept of a unified tax policy, based on which the economically equal development of all the union republics could be structured in the future. The leaders of Russia have declared it their will to take all the income that is formed on the territory of Russia into their own budget. Just as if they forgot that there are still nationwide and national programs, including assistance to other republics, that are sustained by those same Russian resources. I feel that this is a shortsighted step, taken for political reasons, that undermines the economy of the whole country in general. And not only undermines, but threatens the

disintegration of the union as a unified national-economic system. The complex mechanism of distributive relations in the country has simply been smashed by this unilateral and rash decision by Russia's leadership. The voters can hardly be pleased by such "concern" for the interests of the republic. You know that Russia had earlier adopted the Pension Law, which envisaged better benefit terms despite the objections of professional economists. Russia later adopted its own Tax Law, reducing the rates substantially. And now a yawning gap has appeared between income and expenses in the RSFSR budget. And they resolved it was necessary to take all income into a unified Russian pot in order to close that breach.

[Badov] Spontaneous actions riding a wave of populism?

[Assekritov] I think so. There are questions that cannot be solved using emotion, voting methods or by "shouting." Counting and substantiation, common sense are needed. If we look ahead in any case, the consequences will prove to be unfavorable for Russia as well. The republics, which are today the basic raw-material suppliers for Russia and whose interests are badly stung by the decision of the RSFSR Supreme Court, will be forced to take extraordinary measures in view of the increase—a sharp one—in the prices for their own raw materials. I thus think that intelligent people in the Russian parliament should soon investigate the consequences of the unilateral decisions they have made. Professionals, in any case, are unfortunately leaving the Russian office of ministries, they felt this sooner than the legislators, who voted optimistically for "not giving money to the center."

[Badov] Won't the same error befall the stabilization allocation?

[Assekritov] Yes, that is a pertinent question. When the president proposed a temporary economic agreement, B. Yeltsin and I. Silayev agreed with the fact that the stabilization allocations were necessary. They declared, however, that all of the funds should go wholly and entirely to the allocation of the republic. The center is a dirty word for some. The structure of the Russian Federation itself, however, consists of independent and, today, even sovereign regions. These are republics, oblasts, krays... And if we continue the logic of the reasoning of the enthusiastic supporters of Russian sovereignty, the latter could also declare, echoing their own Russian center, that the stabilization allocations will be created exclusively by themselves and for themselves. At the expense of the enterprises located on their territory. And the Russian center will not have such an allocation as a result. This reciprocal step is essentially the logical parallel to the proposal of Yeltsin himself!

[Badov] Let's return to the stabilization allocation. It follows from the president's ukaz that exactly half of the enterprise accumulations, in the form of the remainder in the incentive allocations, will go to it. A very tough measure, delicate. How do you view this?

[Assekritov] I feel that it is the correct decision for two reasons. First, the enterprises have considerable remainders of those funds tucked away. They do not have material coverage in many cases. I feel, when the budget deficit has already passed a critical line, that all immobilized money should be brought into circulation. And in this case, the enterprises are essentially being given the right to direct these funds to the buyout of property. The lion's share of the funds received from the sale of state property will go to pay off internal state debt.

[Badov] How do you explain to the "man in the street" the essence of the concept of "paying off internal state debt"?

[Assekritov] Everything connected with the budget deficit, accumulation or paying off the country's internal debt is more than the concern of Finance Minister Pavlov alone. Each of us bears the burden of state concerns on his shoulders. If the Minfin [Ministry of Finance] borrows money from Gosbank to cover budget expenses, and they in turn print it, that means that the internal debt of the country will grow. The purchasing power of our ruble drops sharply in all of these instances. Grigory Yavlinskiy once related an example to the deputies when he was urging them not to adopt the pension law. Each of your rubles, he said, is covered by 24 kopecks worth of goods, and it will be 14 kopecks as the result of the adoption of the law. So if the state debt balloons even more, the purchasing power of our ruble will slide to a dime. That, in simplified form, is what a budget deficit is, why we are fighting it so desperately and why we cannot allow growth in internal debt.

[Badov] And what is the size of the internal state debt as of January 1?

[Assekritov] Over 500 billion rubles.

[Badov] Does the financial policy of the government of Russia, improvised and unconsidered, have a mandate from the voters?

[Assekritov] I do not think that all the voters should be carried away with the decisions of the Russian parliamentarians that have rocked the whole economy today, an economy with one foot already in the grave. Personal ambitions and maneuvering by the leaders of certain groups and factions that exist in the parliament lead right to the fact that a crucial decision is made without a look to tomorrow, without calculations or substantiations. The voters, if they had a reliable picture of what happened, the fateful consequences to which these decisions are bringing us, would hardly support their deputies. The Russian leaders have moved the "arrows" of the country's financial policy in such a way that, figuratively speaking, two "locomotives"—the all-union and the republic—have ended up on the same rails moving head-on. That is in place of organizing a unified and powerful train and pulling the load. It is aggravating that the Russians have made their *démarche* when we are a couple of steps away from a temporary economic agreement that would make it largely possible to resolve a

whole knot of most complex issues. This is incorrect in relation to the whole body of deputies of the country. Not to mention the incorrect actions in relation to the president, who held these direct dialogues with the leaders of the republics, long and arduous. I think that the Constitutional Oversight Committee has the right to submit its judgment on the conformity of the acts of the RSFSR Supreme Court that we are talking about to the Fundamental Law of the country. I, and this is my personal point of view, regret very much that the 4th Congress did not adopt the draft resolutions proposed by the president. It was nonetheless written there unequivocally that the congress approves the economic agreement. And then the presidents of all the republics and the heads of their legislative bodies, ratifying the agreement with their signatures, would have sensed the authoritative support of the congress expressing the popular will. But the congress for some reason was not resolved. They faltered at the last moment. And I feel that an opportunity to stabilize the situation in the shortest possible time was allowed to pass. Today every day of delay is essentially leading to new difficulties.

[Badov] I think that the country's labor collectives themselves should have their say as well, because their property interests are affected by the Russian decisions.

[Assekritov] But in just what form can they express their will? And what will serve as the grounds for their intervention in the rivalry between the union and Russia? It will be very sad, say, if the financing of defense or science has to be curtailed because of a lack of money in the budget. This would rebound onto many. The labor collectives, of course, will not be in raptures because they are left without their daily bread because of political "games" on high—even for a time. It would be bad if that led to another wave of strikes. Prudence and a considered approach are needed here, we cannot grab for the prize. We cannot digress from parliamentary methods of reconciling differences.

[Badov] Let's return to where we started—the sales tax and the stabilization allocation. Summing up, do we have the right to assert that the intent of these measures includes approaching a situation where the country finally starts to live within its means?

[Assekritov] Yes, all of the planned and subsequent actions are aimed at that. The consistent fulfillment of the program of basic guidelines for a transition to the market is underway. The synchronous and consistent nature of the steps being taken is very important. Improvisation and ultimatums will provide nothing but new troubles. We must adopt immediately—and the congress has recommended it—the resolution on the privatization of enterprises, on entrepreneurial activity. The indexing of monetary income cannot be put off. Retail prices will creep upward very soon. This is inevitable in price liberalization. We must resolve issues of social protections for the less well-off segments of the population. All of these decisions cannot be put off.

**Further Materials on Managers' Conference,
Documents Adopted**

Summary of Proceedings

914A0297A Moscow *EKONOMIKA I ZHIZN*
in Russian No 51, Dec 90 p 4

[Unattributed report: "How to Stabilize the Country's Economy—The Main Question on the Agenda of the All-Union Meeting of State Enterprise Executives"]

[Text] As reported in the preceding issue of *EKONOMIKA I ZHIZN*, an All-Union Meeting of State Enterprise Executives was held 6-7 December in the Kremlin Palace of Congresses. It was organized at the initiative of the USSR Association of State Industrial, Construction, Transportation and Communications Enterprises. More than 3,000 executives of state enterprises representing 31 branches and practically all regions of the country took part in a discussion that was candid to the utmost, and sometimes even harsh. N. I. Ryzhkov addressed the gathering with introductory remarks (the main parts of his speech were published in Issue No 50 of *EZh*). L. A. Voronin, first deputy chairman of the USSR Council of Ministers, L. I. Abalkin, deputy chairman of the USSR Council of Ministers, and A. I. Tizyakov, president of the Association of State Enterprises, who gave reports, dwelled in detail on an assessment of the extremely strained economic situation in the country and analyzed the main areas in which the economy is to be stabilized.

What specific steps are to be taken under these difficult conditions?

The most diverse, sometimes diametrically opposite, proposals were made at the meeting.

Some favored unlimited freedom in the economy, while others took just the opposite view, defending the administrative-command system and even demanding its temporary restoration. Not all the speakers' propositions and recommendations were accepted and approved by the audience. And of course, not all of the 450 executives who sought the floor were able to take the rostrum. But the main thing, it seems, is what united those who were present during those days in the Kremlin—a common concern for bringing our economy out of its state of ungovernability, preventing the growth of chaos and collapse of established economic ties, and achieving a coordinated transition to the market by all republics and levels of the national economy. That is evident, in part, from the interviews with the Kremlin meeting's participants that were taken by *EZh* correspondents and are published in the newspaper today.

USSR President M. S. Gorbachev addressed the meeting's participants. He gave high marks to the broad-scale and blunt discussion that had taken place. He noted, in particular, that the serious and trenchant information that had been obtained and the judgments that had been expressed would assist in gaining a deeper understanding

of everything that is going on, identifying causes, and formulating specific proposals for ensuring enterprises' stable operation in the context of the market that is taking shape.

Participants Reflect on Results

914A0297B Moscow *EKONOMIKA I ZHIZN*
in Russian No 51, Dec 90 pp 4,5

[Interviews with J. Ambainis, general director of the Daugavpils Khimvolokno Association; O. Burdenko, director of the Vilnius Radiometric Instruments Production Association; V. Glazatov, director of the Moscow Service Center for Programmed-Control Systems; and L. Avdeyev, general director of the Orel Kozhobuvmash Association, conducted by *EKONOMIKA I ZHIZN* correspondents: "Enterprise Executives Speak"]

[Text]

It is Time for the Republics to Put Political Ambitions Aside and Concern Themselves With the Economy

[J. Ambainis] I think that the meeting just held was useful both for directors and the country's other executives. Here I fully share the president's opinion. Granted, it should have been held earlier. Then it would have been easier to conclude the contract campaign. Furthermore, the enterprise executives ought to be gathered together more often. I support many of the proposals expressed in Aleksandr Tizyakov's report. The quicker our government takes them into consideration, the more the national economy and the labor collectives will gain.

I liked the idea of concluding an economic agreement among the executives of state enterprises. Let them sit down at the negotiating table and force the republic leaders to reach an agreement more quickly. It is long past time for them to put political ambitions aside and seriously concern themselves with the economy. My Latvian people, too, are expecting that.

If I had gotten to speak, I would have supported the proposals aimed at stabilizing the chemical industry. We have closed down too many enterprises in that branch. And consequently, we don't have the raw materials and other materials and medicines that we need. It is time to think how to straighten things out. A strict analysis needs to be made of decisions made on these matters recently. Evidently, the construction of some enterprises needs to be finished more rapidly, and others need to be opened temporarily. But we must not allow scarce foreign exchange to be spent on plastics and chemical fibers. We are perfectly capable of producing them ourselves.

Why a Director Needs Patriotism

[O. Burdenko] Many people may find that question contrived, saying that patriotism and economics are only weakly linked. But I believe that it behooves every employee, and especially a director, to remember our homeland's fortunes, too, when addressing economic problems. What happens now is that we all fight more for

the interests of our factory, plant or region. But who will think about the country as a whole? The president? The Supreme Soviet? That is their direct duty, of course. But we, too, should care about what goes on beyond the factory wall, care about the state of affairs in our union.

We should divide up among ourselves not just the fatherland's glory, but its cares, too. And that is often forgotten. That could be felt in a number of my colleagues' speeches. For example, some of them protested quite furiously against the deduction and payment into the union fund of 40 percent of their foreign exchange, which is needed for the repayment of debts and the purchasing of scarce raw materials, other materials and equipment.

But who, if not all of us, created those debts? And who, if not us, will receive centralized purchases? I agree that the proposed measure is not strikingly democratic and promises no pleasant moments. But since there is no other way out, we must tolerate it; we must deny ourselves something, mobilize reserves, and straighten out the country's currency affairs. At the same time, everyone must be clearly and precisely told for what purposes the foreign exchange will be used, and in what amounts. Then there will be no false interpretations, and labor collectives will know that their foreign exchange has not been spent in vain.

We All Need Each Other

[Glazatov] Let me say bluntly, like all the other enterprise executives who gathered in the Palace of Congresses, I came to the conference with anxious thoughts. Naturally, people who are in charge of the actual production facilities where the country's material goods are directly created cannot calmly watch economic ties falling apart, labor discipline declining, and the country increasingly sinking into an abyss of economic chaos.

This anxiety united us all. Although every director's head also aches over problems directly connected with the economic situation of the specific collective he heads. Thus, for purposes of taxation a level of only 25 percent profitability is being set for service organizations, which is cutting our business off at the root. Granted, in L. Abalkin's speech I heard an encouraging statement to the effect that a level of 50 percent profitability is being set for organizations that work on the basis of state, rather than contractual, prices. Such conditions are acceptable for us. But here is the problem: we are using departmental price lists, and there are still no all-union lists. Therefore, I still do not know what to do from now on. By and large, I give a positive assessment to the conference. In particular, both from the rostrum and in conversations among the participants, one heard a resolve to preserve the all-union market. The republics' economies cannot exist today without one another. I, for example, have to work with enterprises in Armenia, Belorussia and the Baltics. Moreover, not only do I need our partners from the other republics, they need me.

The Market Is Not a Bazaar

[Avdeyev] A connection between the rise in earnings and the volume of production always has been and continues to be a necessary condition. Therefore, I support the government's intention, which L. Abalkin mentioned in his speech, to establish a proportional relationship between the increase in production and the increase in earnings. It is very important that a mechanism be adopted that objectively reflects a collective's real efforts. After all, production volumes are measured in rubles. And here a large role may be played by prices for output. The use of contractual prices, for example, makes it possible to increase production volumes in ruble terms while producing, in physical terms, even fewer goods than before. Naturally, the national economy stands only to lose from that.

In general, I believe that correct decisions were made at the conference. But I think that we ought to meet again in several months to assess the results that have been achieved by then and draw the necessary conclusions. Incidentally, that was mentioned in many speeches.

I do not agree with those who saw the conference participants as conservatives pushing for a return to the old principles of economic management. The directors favor market relations. But I, like most of the meeting's participants, believe that the changeover to a market must be carefully thought out, without any unwarranted losses. Otherwise, instead of a market what we will arrive at is an uncontrollable bazaar.

Official Appeal to Government

91440297C Moscow *EKONOMIKA I ZHIZN*
in Russian No 51, Dec 90 p 5

[Appeal by the All-Union Meeting of USSR State Enterprise Executives to the Sixth Congress of USSR People's Deputies, the USSR Supreme Soviet, the USSR President, and the Union- and Autonomous-Republic Supreme Soviets]

[Text] State enterprises today are the foundation and backbone of the economy. The independence and security of the state and the well-being of the people depend directly on the effectiveness of their performance.

Our job is production and concern for our collectives and the people's good. As professionals, we, on behalf of the tens of millions of workers and engineers who constitute the basis of our society and its economic foundation, appeal to the country's deputy corps and to politicians of all persuasions.

We, like the people as a whole, are troubled by interethnic conflicts, universal shortages, inflation, the crime rampage, economic racketeering and political extremism. The situation with respect to the conclusion of contracts is such that enterprises will enter 1991 with shortfalls of 60 percent or more in required components. And that means not only that the volume of industrial

production will decline by half, but that the whole structure of the national economy may collapse. Interruptions will occur in the supply of food, electric power, heat and water, and in transportation. Thousands upon thousands of unemployed people will find themselves in the streets.

Our forecast is more than realistic.

We have stood and continue to stand for order and discipline; we are patriots and citizens of our country, and we have no homeland besides the USSR. Recognizing our responsibility, we will do everything possible to prevent the collectives' work from coming to a stop.

The collectives of state enterprises are a factor in stabilizing all aspects of life of the republics and the USSR as a whole.

We believe that stabilization and preservation of the structures of the economic life-support system require that a presidential ukase immediately introduce emergency economic measures, to which end:

- in order to ensure a unified market space, a moratorium should be declared on the economic sovereignty of republics and regions and all customs barriers eliminated;
- emergency powers should be granted to the USSR government for the sake of the unconditional implementation of the 27 September 1990 presidential ukase "On Urgent Measures for the Stabilization of Economic Ties in the Fourth Quarter of 1990 and Throughout 1991." It must be demanded that officials at all levels unconditionally carry it out. Any alteration in contracts can be made only by the consumer;
- prices for the basic foodstuffs and prime necessities must be placed under centralized control;
- structural changes in the management of national economic complexes involving power engineering, transportation, communications, the defense industry and material and technical supply should be suspended for the stabilization period;
- the operation of state enterprises under union subordination and located in all regions of the USSR should be guaranteed on the basis of uniform economic normative rates;
- the process of democratization should be shifted from the political sphere to the economic. Economically equal conditions should be provided for the functioning of all forms of ownership. At state enterprises the question of the ownership of means of production should be decided unequivocally in favor of labor collectives;
- a state Conversion Program should be adopted, with appropriate material and technical support, financing and measures for the social and economic protection of working people;

—the question should be reconsidered, and an economically advisable level should be established for enterprises' foreign-currency payments to the budget with the aim of stimulating exports;

—the USSR Industrial Construction Bank should be transformed into the All-Union State Commercial Industrial Construction Bank;

—a moratorium should be introduced on the holding of strikes in all branches of the national economy.

We insist that, on the basis of general guidelines for the transition to a market, a specific action program be drawn up with goals and the means of attaining them, taking into account the need to provide, on a priority basis, the necessary investment in addressing the scientific, technical and technological problems on which the country's economic independence will depend, with a view to the strict demands of survival in the 21st century. Practitioners in industry and agriculture should be broadly enlisted in this work.

The meeting of state enterprise executives counts on the necessary conclusions being drawn from this appeal.

Economic Cooperation Agreement

*914A0297D Moscow EKONOMIKA I ZHIZN
in Russian No 51, Dec 90 p 5*

[Economic Agreement Among USSR State Enterprise Executives Participating in the All-Union Meeting]

[Text]

1. On the threshold of 1991, the USSR state enterprise executives participating in the all-union meeting state:
 - 1.1. The economy of the country as a whole, the republics and the regions is in a state of crisis.
 - 1.2. The economic mechanism is not functioning. Material and technical supply is continuing to deteriorate, and economic ties, especially interrepublic ties, are breaking down.
 - 1.3. The living standard of the working people continues to decline; goods are disappearing from store shelves, and prices are rising out of control.
 - 1.4. Morality is declining in the country. Speculation and crime are increasing without precedent, and the shadow economy is flourishing. Motivation to work has sharply deteriorated, an unwarranted outflow of labor resources from the production sphere continues, and production volumes are being sharply reduced.
 - 1.5. Ukases, legislative acts of the union and republic Supreme Soviets, and decrees of the USSR and republic governments are, for the most part, not being carried out at the local level.

1.6. Planned programs for the transition to the market and stabilization of the economy have proved insufficiently effective and lack clear-cut techniques for implementation.

1.7. Political sovereignty at all levels is coming into contradiction with economic expediency and torpedoing any efforts to stabilize the economy and move to a market.

2. In this critical hour for the country, USSR state enterprises, concerned over the fate of the peoples inhabiting it, relying on their scientific and technological potential and economic capabilities, and reflecting the will of their collectives and taking responsibility upon themselves, declare:

2.1. A transition to the market without damage to the national interests of the country as a whole and of all the peoples inhabiting it is possible only if an all-union market is preserved and developed. all actions aimed at creating isolated regional markets lead to the destabilization of the economy and should therefore be deemed illegal.

2.2. The motivation of working people in the production sphere of the industrial and agricultural sectors is a key factor in stabilization during the transitional stage and should be achieved by giving advantages to the producers of output over any other types of activity and by providing them with various rights and opportunities, including the right to control the disposition of the products of their own labor, regardless of the form of ownership.

3. The state enterprise executives participating in the meeting, guided by the USSR Law on Enterprises and enterprise by-laws, and expressing the working people's will, decided:

3.1. To recognize only an all-union market. To boycott all actions aimed at destabilizing the economy, the disturbance of horizontal ties, and territorial diktat.

3.2. In relations among USSR enterprises, to ensure respect for partners, mutual assistance and aid, and the maximum satisfaction of the customer's requirements.

3.3. to undertake the strict implementation of the 27 September 1990 ukase of the USSR president "On Urgent Measures for the Stabilization of Economic Ties in the Fourth Quarter of 1990 and Throughout 1991."

3.4. To declare enterprises the owners of goods they produce, barring the right to interfere in their distribution by any agencies whatsoever except state agencies. To deem invalid the conclusion of contracts for the exchange of industrial goods on the level of republics or regions without the consent of producers.

3.5. In order to strengthen and develop cooperative production arrangements for the production of consumer goods, to guarantee to the supplies of raw materials and components, on the part of the enterprises

producing the end products, the transfer of part of the output produced above-plan.

3.6. To provide most-favored status in economic relations among regional associations, granting them the right, when necessary, to reach agreements among themselves regarding deliveries of industrial output throughout the entire country.

RESOURCE UTILIZATION SUPPLY

Conversion: Beryllium Mine To Produce Emeralds for Jewelry

914A0258A Moscow PRAVDA in Russian 2 Jan 91
Second Edition p 8

[Article by Vladimir Chertkov, PRAVDA special correspondent, reporting from Sverdlovsk Oblast: "Green Magic in the Night...": "They Now Want To Make Women's Ornaments Where Once Nuclear Fuel Was Mined"]

[Text] *Beryllium is a strategic raw material. Can it be used only for lethal purposes? No—it can also be guided by life and yield precious stones.*

The military-industrial complex is at a crossroads, staring into the abyss: which way to turn? Bereft of the firm ground they once stood on, people are frightened by coming changes. But now they are getting a new lease on life.

People are frightened now that they have finally realized that they have to live.

Uranium mines and nuclear reactors are being shut down: cause to celebrate, but in people's eyes you see the questions. "Where are we going to work?" "We do not know how to do anything else." "Why set out on an unfamiliar path?" The express train has been switched to a peace track; how can people not realize that the old track on which we were so comfortably traveling was leading to disaster?

But permit me... You want to say: but we are threatened by something else. You may say that we live on a minuscule speck in the Universe, and that Nature could crush it with ease, like a nut, sweep it away like a spider's web. And yet... Yes, our mother is the planet, but life on it is designed for life, long and wonderful life. And there is an abundance of all sorts of reserves in underground storehouses, darkness and light and warmth in abundance, and many beneficial creatures, and water, and oceans of oxygen: know this and rejoice, Man. But no: as he dug uranium from the ground and grew nuclear mushrooms Man awakened terrifying dreams, in comparison with which the Deluge was just another ordinary mishap. Man pushed himself toward the abyss and since they paid him money for doing so he was almost cheerful about it and gave no thought at all to the possible end of the world...

I have just come back from a region where a reactor is being disassembled. The man who escorted me was angry. "They built and they built..."

People are frightened now that they have finally realized that they have to live.

They are closing the reactor and the uranium mine! How will we survive? "We mined beryllium, which is needed for the construction of submarines and fighter planes, without which, you know... And now suddenly this!" I was in a town called Malyshov in the Urals, when this "suddenly" had already come to pass—and been good for everyone. They began mining emeralds, prized throughout the world as precious stones second only to rubies and ahead of diamonds. What woman does not dream of having this green wonder in her ear or around her neck? In my mind's eye I see an emperor's crown with stones the color of the grass in May and a smart pangolin lying like a living emerald in the sun. Now here it is frozen, preparing to run, under museum glass. A mineral? There are nights, especially just before New Year's, when it seems that everything here comes to life. The stones shift on the shelves, remembering who brought them here, and under the gaze of the Lady of Copper Mountain who walks silently through the halls mysteries occur which would astound you. Have you ever seen how a tiny drop of chromite, dissolving precisely into beryllium, is transformed into an emerald? This is not somewhere in the depths, but here under the moonlight and an ordinary roof. I leaf through Bazhov's "Fairy Tales" when I want to escape from wearisome black and doleful white, when in winter suddenly I cannot go on without spring and summer.

Emerald (the ancient Greeks called it the "shining stone") is a variety and a companion of beryllium, but it seems to me that everything hinges on emerald. For me personally it and it alone is the king of stones: warm, giving human beings strength and tranquility. And it was long forgotten in the village of Malyshov at a special enterprise (they also mined uranium there), and indeed what good was it to the military-industrial complex if what was sought was minerals which would help clutch the world by the throat? There is only one emerald mine in the Soviet Union—this one. The site was discovered in 1831 by an old peasant, tar worker Maksim Kozhevnikov. He looked at the unfamiliar stone, unaware that it could be found over a relatively wide area and not just on the surface. A core sample recently taken from a depth of 658 meters was found to contain an emerald.

I am amazed, simply amazed... It is no wonder, because under the facets of an emerald a wave flows, like someone's hidden tear, and a subtle image appears in it. How easily I have flung from my hand nuggets of gold and uncut diamonds, but this stone enchanted me, and it seemed that if I were to speak to it, it would answer. But would it be good to contact the genie which twinkled at me as we parted?

Production controllers L. Markova and N. Chichevskaya carried the stone to the safe, and I thought: "A pity that not a single hand went up." The enterprise's director, V. Zelev, trying to arouse some interest in the stones of the Urals, had asked a group of schoolchildren: "Who has read Bazhov's 'Fairy Tales'?"

Veniamin Gennadyevich was dumfounded when he did not see a single hand raised. These children have been deprived not only of bread. They do not know about the Brothers Grimm and Hoffman—fine. The terrible violent injections to which they have been subjected have etched "Little Earth" and "Virgin Soil" into their minds. But Bazhov... Children have missed their own world. Life is a road, and any turning back means losing something up ahead.

Zelev is looking for successors, and that is why he had assembled the kids. He himself has spent 23 years underground (mining uranium), and all in all he has "worked in the mountain," as he puts it, for 30 years. Though big and heavy he is extraordinarily nimble. You cannot predict what he will be doing a second from now; one moment he is sitting across from you, the next he is already bringing over to show you a mineral which makes paints extremely durable... now he brings a picture of a cluster of emerald crystals... Then you cease to notice the director or hear his voice. You catch your breath. You look at the dark green gems and you realize at once that the earth yields something like this extremely rarely. Even the work of a great artist can be copied, but that which is created by Nature—never. Always just a single copy. Approximately 10,000 carats. A stone which is among the 10 best emeralds in the world and displays its hues brilliantly even in a photograph, and it seems that it would shine through even in a black-and-white photograph. Yet when it was found about a year ago it was not rated very highly by our experts. Suddenly I have a horrifying thought: we might have sold it abroad...

Recently the emerald was shown to Dr. William Caints, the director of the Earth Resources Institute of the University of South Carolina and a recognized authority in the field. The first thing he said was: "Oooooo!"

He called it the best emerald in the world. At once its value shot up. It belongs in the USSR Diamond Repository. Then the American was shown two other emeralds, the Novogodniy and the Zvezdar. Even though the visitor was still under the influence of his impression of the first emerald—the Shakhterskaya Slava—he also gave them high marks: "These could be of interest to any museum in the world."

I spent several hours walking through the mine, with chief geologist A. Laskovenkov telling me about Urals stones all the while. We seem to have forgotten about them, perhaps because Bazhov is no longer read by children. We see the Urals as an old, worked-out quarry. Do we value what we have? Buyers are already making inquiries in the settlement. They take raw stones and cut

them abroad in ways we are incapable of doing. The very first thing our homegrown jewelers do, though you may laugh, is to force the little stones into standard shapes, cutting away all the beauty just so that they will fit into certain settings. You, on the contrary, reveal their essence and preserve all their "anatomy." There is one on your palm. It reminds one of a horse's head. Then I remember a newspaper photo that Zelev showed me: Zambia, a light shed and under it a long table and six workers sorting raw emeralds, and behind each of them a heavily armed guard—this was meant to show me how much these legend-enshrouded stones are valued.

"An Israeli firm where emigrants from Russia work took the job of helping us guard the emeralds and get into the international market, which is very difficult," said Zelev. "Our partners, for example, propose sorting the emeralds in the northern half of the building, where the light is diffused. Direct sunlight makes it difficult to judge the qualities of a stone."

Emeralds like a firm hand and keen vision and do not like volatile, psychologically unstable, emotional people.

"All sorts of things can happen at home," confides master gemcutter T. Arsentyeva, "but it is best not to come to work when you are agitated—no good will come of it. If you don't get the right cut the slightest bit of sunlight will extinguish the fire."

But there is something magical about an emerald when a calm person works with it, when someone spins and

turns it under the light, saying: "Well, show us something else." There is an expression—"critical play"—and in my mind that is something between great and bad, and it seems that Mikhail Orlov was looking for some light in the stone which cannot be captured. He carried an emerald from one work table to another, then finally cried out. He was working with the Vitaliy Emerald, which was named for local miner Vitaliy Vasilyev, who had recently passed away. Stones with names are entrusted only to master gemcutters; you will remember how the Lady of Copper Mountain valued them, how she made the rounds of all of them to find a master craftsman who could feel and understand the soul of the stone.

...Night. There is only a single guard at the mine. The very time for the stones to speak.

"Oh, I have lain in the dark for so many years, though I am filled with light... I should be paired with the Patricia from Columbia—how fine we would look together!"

"But it weighs 800 carats, and look at you—hah!"

"You forget that I am from the Urals, and the unknown is always alluring. And have you heard how delighted the gemcutter was with me?"

"When these people mined uranium and beryllium they did not tell fairy tales around us, but now..."

"They have changed greatly and finally realized as they beheld our beauty that they have to live."

Where there are fairy tales there is life.

POLICY, ORGANIZATION

Legislation Amending RSFSR Law on Land Reform

914A0277A Moscow SOVETSKAYA ROSSIYA
in Russian 5 Jan 91 p 1

[Law of RSFSR enacted by the RSFSR Supreme Soviet on 27 December 1990 in Moscow and signed by B.N. Yeltsin, chairman of the RSFSR Supreme Soviet: "RSFSR Law Amending the RSFSR Law on Land Reform, Related to Adoption of the Decree of the RSFSR Congress of People's Deputies on the Program for Rebirth of the Russian Countryside and Development of the Agroindustrial Complex and the RSFSR Law Amending and Supplementing the RSFSR Constitution (Basic Law)"]

[Text] The RSFSR Supreme Soviet decrees as follows:

I. The following amendments are to be made in the RSFSR Law on Land Reform:

1. Article 2 is to read as follows:

In accordance with the RSFSR Constitution, land and minerals, water, and flora and fauna are the property of the peoples living on the respective territory. Possession, use, and disposition of these natural resources are regulated by laws of RSFSR and of the republics which are components of RSFSR and by enactments of local soviets of people's deputies issued within the limits of their powers.

The state grants plots of land for the production of agricultural products for use, possession, or ownership. Confiscation of plots of land is not permitted except in the cases established by legislation of RSFSR.

The state promotes development of all forms of agricultural production: kolkhozes, sovkhozes, and their cooperatives and associations, it affirms the diversity and equality of the forms of state ownership, kolkhoz-cooperative ownership, private ownership, and collective shared ownership. State monopoly of land on the territory of RSFSR is abolished.

The state may on behalf of the interests of society establish the maximum size of landholdings. Land users are required to make effective use of the land, to be mindful of its preservation, and to improve its fertility.

2. Article 4 is to read as follows:

Plots of land may be transferred to the ownership of individuals for private subsidiary farming and peasant farming, fruitgrowing, animal husbandry, and also other purposes related to carrying on agricultural production. On those plots of land, the owner has the right to build a dwelling and farm buildings.

It is not permitted to restore plots of land to their former owners and their heirs; they may acquire ownership of plots of land on general grounds.

Plots of land may not be transferred to foreign nationals.

3. Article 5 is to read as follows:

Plots of land may be transferred to collective ownership (joint ownership or shared ownership) of kolkhozes, other cooperative agricultural enterprises, joint stock companies, including those created from sovkhozes and other state agricultural enterprises, and also to individuals for carrying on collective fruitgrowing and market gardening.

Upon leaving a collective to organize a peasant farm, every member of the collective has the right to obtain his share in the form of a plot of land.

4. Article 6 is to read as follows:

Plots of land are granted to individuals for heritable possession or use for life, including leasing, for construction of weekend cottages, garages, and also for private business activity, and for other use not prohibited by law.

5. Article 7 is to read as follows:

Until plots of land are juridically transferred to the ownership, use, including leasing, and possession of individuals, enterprises, institutions, and organizations, the right of use of plots of land established previously is retained, but for a period not to exceed two years from the date the present Law takes effect. That right lapses upon expiration of that period of time.

6. Article 8 is to read as follows:

In the conduct of the land reform, land is to be transferred to ownership of individuals by soviets of people's deputies for payment and gratis.

Land for a peasant farm is transferred to the ownership of individuals gratis within the limits of the average land share per person working in agriculture that exists in the given administrative rayon. Additional land for running a peasant farm up to the maximum limits established in the republic, kray, or oblast may be obtained for payment. This procedure extends even to cases of formation of collective shared ownership of land.

Plots of land are transferred to the ownership of individuals gratis to carry on personal subsidiary farming within the limits established by rural, settlement, and city soviets of people's deputies.

All land granted previously and also misused land is to be transferred to the ownership of individuals gratis for fruitgrowing and animal husbandry.

7. Article 9 is to read as follows:

Ownership of plots of land is to be acquired through the soviet of people's deputies on whose territory the plot of land is located.

A plot of land granted for the production of agricultural products may be sold or otherwise alienated, excepting transfer by inheritance, only by the state as represented by the soviet of people's deputies on whose territory the plot of land is located. The soviet of people's deputies is required to acquire a plot of land which has been alienated. During a period of 10 years from acquisition of rights of ownership to a plot of land, no other purchase or sale is permitted. Afterward, the question of purchase and sale of plots of land may be decided by the RSFSR Congress of People's Deputies by a qualified majority of votes or popular vote (referendum).

All disputes related to alienation and acquisition of plots of land are settled in the courts.

8. Article 16 is to read as follows:

The land reform is carried out in stages. In the first stage, the rights of disposition of land are assigned to local soviets of people's deputies.

At the same time, administrative boundaries are closely defined, the land needs of individuals, enterprises, institutions, and organizations are determined, a special stock of land is formed for subsequent redistribution, and the rates of the land tax and the price of land are established.

In the second stage, local soviets of people's deputies and agencies of the RSFSR State Committee for Land Reform transfer and assign land to the ownership, use, including leasing, and possession of individuals, enterprises, organizations, and institutions in accordance with legislation of RSFSR.

9. Article 17 is to be deleted.

II. The RSFSR Law on Land Reform is to take effect with these amendments on 1 January 1991.

Legislation Amending RSFSR Law on the Peasant Farm

914A0277B Moscow SOVETSKAYA ROSSIYA
in Russian 5 Jan 91 p 3

[Law of RSFSR enacted by the RSFSR Supreme Soviet on 27 December 1990 in Moscow and signed by B.N. Yeltsin, chairman of the RSFSR Supreme Soviet: "RSFSR Law Amending the RSFSR Law on the Peasant (Private) Farm, Related to Adoption of the Decree of the RSFSR Congress of People's Deputies on the Program for Rebirth of the Russian Countryside and Development of the Agroindustrial Complex and the RSFSR Law Amending and Supplementing the RSFSR Constitution (Basic Law)"]

[Text] The RSFSR Supreme Soviet decrees as follows:

I. The following amendments are to be made in the RSFSR Law on the Peasant (Private) Farm:

1. Article 1 is to read as follows:

Definition of the Peasant (Private) Farm

1. The peasant (private) farm (hereinafter "peasant farm") is an independent economic entity with the rights of a juridical person represented by an individual, family, or group of persons carrying on production, processing, and sale of agricultural products on the basis of use of property and plots of land which they are using, including through leasing, which they possess for life and may bequeath, or which they own.

2. The peasant farm is a form of free enterprise pursued on the principles of economic gain.

3. Able-bodied members of the family and other individuals running a farm jointly are considered members of the peasant farm.

4. One of the peasant farm's legally capable members is the head of the peasant farm. The head of the peasant farm represents its interests in relations with enterprises, organizations, individuals, and state agencies.

2. Article 4 is to read as follows:

Right To Create a Peasant Farm

1. Every legally capable citizen of RSFSR who has reached age 18 and who has experience in agriculture and agricultural qualifications or has gone through special training has the right to create a peasant farm and to obtain a plot of land for these purposes. Should there be several claimants, individuals living in the given locality have the prior right to obtain the plot of land.

2. The soviet of people's deputies with jurisdiction over a plot of land has the right to choose an applicant for creation of a peasant farm on a competitive basis.

3. Disputes on prior right to organize a peasant farm and also concerning land rights are settled in the courts.

4. When one of the members of a family is creating a peasant farm, the other members of the family decide independently whether to participate through their activity on the basis of full- or part-time employment.

3. Article 5 is to read as follows:

Conditions for Assignment of a Plot of Land

1. On the basis of an individual's declaration of his desire to operate a peasant farm, a plot of land is transferred to him for use, including leasing, for heritable life possession, or ownership by a decision of the soviet of people's deputies in whose jurisdiction the plot of land is located. Individuals who receive plots of land to operate a peasant farm and who have a dwelling in a rural settlement retain their homestead allotment that goes with the dwelling.

The peasant farm may lease an additional plot of land for production purposes. Plots of land are leased by soviets of people's deputies or by individuals who are landowners in case of their temporary incapacity, called up into the ranks of the USSR Armed Forces for active military service, or enrollment for study. Land may not be leased by individuals for more than five years.

2. The ownership of plots of land is transferred for operation of a peasant farm by soviets of people's deputies gratis within the limits established by the state and for payment over and above those limits. When ownership of a plot of land is transferred, the decision of the soviet of people's deputies is the basis for the actual allotment of particular land (in the locality) and for issuance of the state document certifying the right of ownership of the land.

Proceeds from the sale of the land stock go into the respective budgets and are used exclusively for improvement of farmland.

The right to lease land is certified by a contract concluded by the parties which is registered with the soviet of people's deputies in whose jurisdiction the plot of land is located.

3. As a rule, the plot of land is allocated in a single tract. When plots of land are allocated to peasant farms near a settlement, land used as individual homesteads and land for common use—pastures for livestock, bodies of water, roads, parks, land occupied by athletic facilities, and so on, are not affected.

4. The size of the plot of land for operation of a peasant farm is determined in each particular case by the soviet of people's deputies in whose jurisdiction it is located, taking into account the number of members of the peasant farm, its specialization, and also the maximum amounts established in the republic, kray, and oblast.

5. The expenses of allocation of land and preparation of the state deed to land, the keeping of land records, land regularization and forest regularization, agrochemical surveys, and environmental classification of soils are financed from the budget. The land user has the right to independently order and finance operations to improve the land.

6. When a peasant farm is organized in an area where there are no facilities for production, social welfare, and everyday services, the state assumes the burden of primary development, construction of roads, power transmission lines, water supply, telephone service, land regularization, and land improvement. Local soviets of people's deputies are required to extend aid in the erection of production structures and housing.

4. Article 6 is to read as follows:

Procedure for Forming the Land Stock for Operation of a Peasant Farm

1. Rayon (city) soviets of people's deputies create a land stock for organizing peasant farms from reserve land and also land taken from kolkhozes, sovkhozes, and other land users and land possessors on the following grounds:

- a) farmland not being cultivated or downgraded to less valuable land;
- b) land of all categories not used for the stated purpose;
- c) land granted for agricultural production and not used for one year, and also land granted for nonfarming purposes and not used for two years;
- d) land of lumber and timbering enterprises not covered with forest and brush and suitable for use in agricultural production;
- e) land of agricultural enterprises whose actual productivity over the last five years has been more than 20 percent below the standard defined in the land assessment in the land records;
- f) land covered by a bank mortgage that has not been paid off.

2. Farmland identified and included in the land stock for redistribution is taken away from kolkhozes, sovkhozes, subsidiary agricultural operations of enterprises, organizations and institutions, other enterprises, institutions, and organizations by the soviet of people's deputies as applications are received from individuals for creation of peasant farms. Consent of land users and landholders to confiscation of this land is not required. Land of the State Forest Fund is taken away with consent of the holder of the forestland stock.

3. Tracts of land which do not allow for the cultivation of agricultural products meeting public health requirements are not included in the land stock for organizing peasant farms.

5. Article 7 is to read as follows:

Procedure for Allocating Plots of Land From the Land Stock for Operation of a Peasant Farm

1. Individuals who declare a desire to operate a peasant farm, including those moving from other areas for permanent residence, file an application to obtain a plot of land with the necessary substantiation with the rayon (city) soviet of people's deputies for the place where the land is located.

The application states the purpose for which the plot of land being requested is to be used, the proposed size and its location, the number of able-bodied members of the family, and in the case of leasing—the term of the lease.

The soviet of people's deputies forwards this application to the land commission for preparation of documents for allocation of land.

2. The decision on the granting (sale) of a plot of land is made by the rayon (city) soviet of people's deputies within a period not to exceed two months from the date the application is filed and takes into account the opinion of the rural (settlement) soviet of people's deputies. If deadlines are not met for making the decision and if information is concealed on existence of the land stock, the offenders are subject to administrative accountability in the form of a fine in the amount of not less than 1,000 and not more than 3,000 rubles [R] imposed by the Committee for Land Reform.

3. The decision of the rayon (city) soviet of people's deputies refusing to allocate a plot of land may be appealed in the form of a court suit.

6. Article 8 is to read as follows:

Particular Features of the Organization of Peasant Farms by Members of Kolkhozes and Workers of Sovkhozes and Subsidiary Agricultural Operations

1. Collectives of kolkhozes, sovkhozes, and subsidiary agricultural operations are granted the right to divide up farmland into shares in one of two ways:

Version 1. Plots of land are appraised in money terms. Kolkhoz members and sovkhoz workers are issued land shares certifying their share in the value of farmland. Owners of stock have the right to obtain dividends and to bequeath the stock.

Version 2. The land of kolkhozes, sovkhozes, and subsidiary agricultural operations are provisionally divided up among the permanent members of the collective into quantitatively defined shares which guarantee each kolkhoz member or worker of a sovkhoz or subsidiary agricultural operation the personal right to a plot of land if he works on the collective farm. The size of the land share of each member of the kolkhoz (sovkhоз worker) is fixed by decision of the collective and is certified by an appropriate document. The land share may be bequeathed. It may be taken into account in distribution of a portion of profit.

2. Every kolkhoz member (sovkhоз worker), including a person who has retired and who worked on the given farm at least 20 years, has the right to a share of the value of productive assets after deduction of amounts of outstanding long-term loans, the value of indivisible assets, if such are created by decision of the collective, and also the value of assets whose creation was financed from the budget. The share of the kolkhoz member (sovkhоз worker) is determined in accordance with the length of time worked on the farm and the labor contribution. It is confirmed by the meeting of the collective. Stock is issued in the amount indicated or it is certified by some other document. The annual growth of fixed productive capital (after deduction of a growth of outstanding long-term loans and deductions to the indivisible fund) is distributed among members of the kolkhoz (sovkhоз workers), which is certified by additional shares of stock or other documents. Dividends are paid annually on

stock; their size depends on the performance of the kolkhoz (sovkhоз). Dividends may be paid on the basis of the total value of land stock and asset stock.

3. The kolkhoz member (sovkhоз worker) has the right to withdraw from it and create a peasant farm without consent of the work collective or management of the enterprise. By decision of the rayon (city) soviet of people's deputies, the peasant farm is granted a plot of land whose size is determined by the share or value of stock belonging to its members. A person who intends to operate an independent farm may increase the size of the land allotment by leasing or through a purchase. The piece of land is allocated as a rule in a single tract and with consent of the applicant it may consist of a home-stead plot and a production plot. The land is allocated if possible close to the home of the individual forming the farm, without violating the integrity of other farms and subdivisions of the kolkhoz (sovkhоз).

The owner of a share (stock) has the right to bequeath it. The kolkhoz or sovkhoz is required at the desire of the worker to pay off the share (purchase the stock) on an installment basis over not more than 10 years when he retires. A worker who is retiring has the right to sell his share (stock) to other members of the farm.

A kolkhoz (sovkhоз) must furnish machines and equipment on the basis of the stock or purchase the stock of a worker leaving the kolkhoz (sovkhоз) in order to organize a peasant farm. If the kolkhoz (sovkhоз) is unable to do this, then it must issue a guarantee for the peasant farm so that it may obtain credits from the bank for that amount and pay reimbursement for the interest to be paid on the loan.

4. Individuals who are kolkhoz members or workers of sovkhozes and other agricultural enterprises (excepting experimental farms) and who want to withdraw from them and operate a peasant farm file an application in which they state the value of the stock they hold, the proposed area of the plot of land, its location, the line of business, and a list of property. The kolkhoz (sovkhоз) or other agricultural enterprise examines the individual's application within one month and turns the material over to the rayon (city) soviet of people's deputies along with a certificate or order of the manager of the enterprise and also the representation of the rural (settlement) soviet, and the soviet of people's deputies makes a decision on the matter within one month. If deadlines are not met for examination and decisions on this matter, the persons responsible are subject to administrative accountability in the form of a fine of not less than R1,000 and not more than R3,000.

If the kolkhoz or sovkhoz refuses to set aside a particular plot of land for those wishing to withdraw from the enterprise, the rayon (city) soviet of people's deputies has the right to independently determine the location of the plot of land.

A refusal to grant a plot of land is subject to a court examination.

7. Article 9 is to read as follows:**Registration of the Peasant Farm**

1. The peasant farm is registered by the rayon (city) soviet of people's deputies following issuance of the state certificate of the right of heritable life estate, ownership of the land, or the signing of a contract to lease the plot of land.

2. Following registration, the peasant farm acquires the status of a juridical person: it opens a current account and other accounts, including a foreign exchange account, in a bank institution, it has its own stamp, it enters into business relations with other enterprises, organizations, institutions, and individuals, it is regarded as an independent commodity producer by soviet, economic, and public institutions when they are drafting programs for the region's economic and social development.

3. The rayon (city) soviet of people's deputies keeps a registration card for each peasant farm, and the rural (settlement) soviet enters the farm in a book listing farms.

8. Article 10 is to read as follows:**Rights of Individuals Operating a Peasant Farm**

1. An individual who has a plot of land for operating a peasant farm with the right of heritable possession for life or the right of ownership is accorded the following rights:

a) to farm the land independently;

b) to use rock products and peat that are on the land, forestland, bodies of water and fresh subsurface water, and also other useful properties of the land to meet the needs of the farm in accordance with established procedure;

c) to erect housing, farm buildings, outbuildings and other structures, and installations;

d) in accordance with established procedure, to carry out irrigation and drainage, clearing and land improvement and other improvement operations, to build ponds and other bodies of water in accordance with the requirements of natural conservation;

e) to exchange the plot of land in accordance with established procedure through the soviet of people's deputies;

f) to lease the land or a part of it should he be temporarily incapacitated, called up for regular service in the ranks of the USSR Armed Forces, or enroll in school;

g) to bequeath the plot of land;

h) in case of confiscation of the plot of land by the state, to obtain reimbursement of costs and losses, including lost income.

An individual who owns a plot of land for operation of a peasant farm is accorded the following additional rights:

- a) to mortgage the plot of land with the Land Bank;
- b) to sell the plot of land to the soviet of people's deputies in whose jurisdiction it is located;
- c) in case of confiscation of the plot of land by the state, to obtain the full value of the plot of land, including reimbursement of costs and losses, including lost income.

2. An individual who is leasing a plot of land to operate a peasant farm is accorded the following rights:

- a) to use the land in accordance with the conditions under which it was leased;
- b) in accordance with established procedure and the lease, to use rock products and peat which are on the land, forestland, bodies of water, fresh subsurface water, and also other useful properties of the land;
- c) to erect housing, farm buildings, cultural and domestic buildings, and other structures and installations in accordance with the lease and with consent of the landowner;
- d) when the lease is long-term, to turn over the land or a part of it for temporary use;
- e) to obtain reimbursement of costs and losses, including lost income, if the lease is canceled before expiration on the initiative of the lessor, including the case in which the land is confiscated for needs of the state and public purposes.

3. An individual who has the use of a plot of land for operating a peasant farm, including the leasing of the land, heritable possession for life or ownership, has the right of ownership to the crops he produces, plantings of agricultural crops and plantations, the agricultural products obtained, and income from their sale. If a plot of land is transferred to an individual to operate a peasant farm together with crops and plantings, the harvest becomes his property, but the former owner is reimbursed actual costs of caring for the crops unless the parties agree otherwise in the contract.

4. If on a plot of land there are installations, perennial plantations, or other things which cannot be moved to another plot of land, the peasant farm reimburses the former owner their residual value unless the parties agree otherwise in the contract. These things then become the property of the peasant farm.

5. State agencies, enterprises, organizations, and individuals must honor the rights and legitimate interests of individuals operating a peasant farm. The peasant farm and its members must not violate the rights and interests of other persons and organizations protected by law. Disputes on exercise of the rights of the user, including the lessee, possessor, and owner of the land, are settled in the courts.

9. Article 11 is to read as follows:

Duties of Individuals Operating a Peasant Farm

An individual who has a plot of land for operation of a peasant farm is subject to the following obligations:

- a) to use the land effectively in accordance with its purpose, to increase its fertility, to perform a set of land conservation measures, and to prevent deterioration of the environmental situation in the area because of his farming activity;
- b) to pay the land tax and rent on the land promptly;
- c) to honor the rights of other owners, landholders, and lessees;
- d) to file promptly with the rayon soviet of people's deputies the legally required information on the state and use of the land and also the information necessary for keeping land records;
- e) to duly reimburse losses for reduction of fertility of the land that occurred through the fault of the land user.

A plot of land leased or transferred for possession or ownership for organization of a peasant farm is not subject to division.

In case of a violation of the duties set forth in this article, the head of the peasant farm is accountable under current legislation.

10. Article 12 is to read as follows:

Payment for Land

1. Payment for land is collected in the forms of the land tax or rent, which are fixed as a function of the quantity, quality, and location of the plot of land and its assessment as given in land records.

The land tax is collected on a plot of land under the right of possession and ownership, and rent on land which is being leased.

2. The price and tax rates and tax procedure for plots of land are established by legislative enactments of the republics, krays, and oblasts in accordance with their respective competence.

3. Rayon (city) soviets of people's deputies may establish benefits concerning collection of the land tax and rent in the form of full or partial exemption for a fixed period of time, postponement of payment, and reduction of the land tax rates.

The land tax and rent on plots of land are not collected from individuals who are organizing a peasant farm nor on plots of land which are in the stage of being developed for agriculture during a period of five years from the time when the plots of land were transferred.

4. Payments on plots of land are made to budgets and are used exclusively for land conservation, improvement of

the quality of land, for regularization of the land, and for incentives to encourage owners, landholders, and lessees to perform these measures.

5. Local soviets of people's deputies must issue annual reports to taxpayers on use of the funds obtained as land payments.

11. Article 14 is to read as follows:

Composition of Property and Its Formation

1. The property of the peasant farm consists of plantations, dwellings and farm buildings, installations for irrigation and drainage and other installations, livestock and draft animals, poultry, agricultural and other machines and equipment, transportation equipment, implements and other property necessary for carrying on farming and other activity.

2. The sources for formation of the property of the peasant farm are as follows:

- money and material resources of the members of the peasant farm;
- income realized from the sale of products, jobs, and services, and also from other forms of work activity;
- income from securities;
- loans from banks and other creditors;
- subsidies from the budget;
- nonreturnable or philanthropic contributions and donations of enterprises, organizations, and individuals;
- other sources not prohibited by current legislation.

12. Article 15 is to read as follows:

Possession, Use, and Disposition of Property

1. The property of the peasant farm belongs to its members on the basis of common shared ownership. The property may be held in common joint ownership by unanimous decision of the members of the peasant farm.

2. The peasant farm's property is used by its members by mutual agreement. Transactions to dispose of property are conducted by the head of the farm or by a person so delegated. If necessary, a different regime for use and disposition of property is established by contract.

3. If one of the members of the peasant farm withdraws from it, the fixed production assets are not subject to division. A portion of the property (contribution or share) may be compensated in money. The procedure for division of property and payment of compensation is established by mutual agreement among all the members of the peasant farm, and if there is no such agreement, through the courts. The period for payment of compensation in such a case must not exceed five years.

4. The peasant farm has the right to sell and deliver to enterprises, organizations, and individuals, to exchange, to lease, and to turn over to others for temporary use the property which it owns.

5. The peasant farm has the right to acquire, lease, or obtain for temporary use property of enterprises, associations, organizations, and individuals.

6. The peasant farm's property is insured on a voluntary basis in accordance with legislation.

13. Article 16 is to read as follows:

Production Activity of the Peasant Farm

The peasant farm based on the right of possession or ownership of the plot of land independently determines the lines of its activity, the structure and volume of its production on the basis of its own interests. It may engage in any form of activity not prohibited by current legislation provided it preserves as its leading form of activity the production, processing, and marketing of agricultural products.

14. Article 17 is to read as follows:

Procedure Governing the Peasant Farm's Marketing of Its Products

1. The peasant farm has the right to dispose of the products it has produced and to sell them at its own discretion to state procurement organizations, on the kolkhoz market, to the state and cooperative trade network, and to other consumers unless a contract provides otherwise.

2. The peasant farm is required to meet the standards in effect with respect to product quality, public health requirements, and other parameters.

3. The peasant farm sets prices of the products it produces independently.

4. The state is required to accept all the produce submitted by the peasant farm for which there is a demand and which meets the relevant quality standards, and payment is to be made at established state purchase prices, contract prices, or other prices.

5. The deliveries of the peasant farm's products for export and also settlement with foreign trading partners are governed by established procedure.

15. Article 19 is to read as follows:

Money of the Peasant Farm

1. The money of the peasant farm is built up from proceeds from the sale of products (jobs and services), loans, budget appropriations, donations, and other receipts.

2. The peasant farm has a right to open a current account and other accounts in the bank, including a foreign exchange account, for the safekeeping of money and to perform all forms of settlement, credit, and cash operations.

3. All settlements of the peasant farm, including payments into the budget, are made in calendar sequence of arrival of settlement documents (occurrence of due dates).

4. Funds are written off from the current account of the peasant farm only with its consent or by court decision.

16. Article 22 is to read as follows:

Work on the Peasant Farm

1. In cases when production requires, the peasant farm is permitted to use hired labor in accordance with current legislation of RSFSR. The conditions of hired labor may be regulated by a contract with individuals concerning use of their labor.

2. Remuneration of individuals concluding a contract on use of their labor is included in current costs and is paid on a priority basis. It does not depend on the performance of the peasant farm unless there is a specific agreement to that effect, but it also may not be less than that of workers in respective occupations in state enterprises.

3. The head of the peasant farm must guarantee safe working conditions for the members of his farm and individuals concluding a contract on use of their labor.

4. Employment relations on the peasant farm are defined and regulated by the members of the farm.

5. Entries on the work status of members of the peasant farm and of individuals concluding a contract on use of their labor are made in the workbooks by the head of the peasant farm and are confirmed by the local soviet of people's deputies.

6. Labor disputes between the head of the farm, the members of the peasant farm, and individuals concluding a contract on use of their labor are settled in the courts.

17. Article 25 is to read as follows:

State Social Insurance and Social Security of Members of the Peasant Farm

1. The head and other members of the peasant farm are subject to state social insurance on equal grounds. The insurance contributions are paid on the sum total of the earnings (income) of the members of the peasant farm. Expenditures actually made by the farm and related to development of the peasant farm are omitted from income.

2. The insurance contributions for state social insurance of members of peasant farms are fixed by the RSFSR Law on State Pensions in RSFSR.

3. The procedure for payment of insurance contributions for state social insurance by a peasant farm is defined by the RSFSR Council of Ministers.

4. Members of peasant farms are entitled to a pension in accordance with the RSFSR Law on State Pensions in RSFSR. For this purpose, the entire time they have worked on the peasant farm is included in their total length of service.

5. Members of peasant farms are guaranteed benefits for sick leave, other benefits, and other forms of services under state social insurance on an equal footing with workers, employees, and kolkhoz members. Women who are members of peasant farms are in addition granted pregnancy and childbirth leave, other leave, and benefits envisaged for working women.

6. Time worked on a peasant farm by members of the farm and individuals concluding contracts on use of their labor are credited to total and uninterrupted length of service on the basis of entries in the workbook and documents confirming payment of social insurance contributions.

7. The peasant farm independently keeps records of the work activity of members of the peasant farm and of individuals concluding contracts on use of their labor.

8. Members of a peasant farm retain a pension awarded earlier in the full amount.

9. A peasant farm is financially liable for the loss incurred by its members and individuals concluding contracts on use of their labor for mutilation or other health impairments related to their performance of their work duties.

18. Article 26 is to read as follows:

Bequeathal of Land

The plot of land of an individual operating a peasant farm is bequeathed to one of the members of that farm in agreement with the other members of the peasant farm.

In the absence of such agreement, the plot of land is transferred to one of the heirs of the property of the deceased who has declared his desire to operate the peasant farm in accordance with the requirements of Article 4, Point 1, of this Law. If there are several such heirs, the choice is made on a competitive basis by the soviet of people's deputies in whose jurisdiction the plot of land is located. Disputes on prior right of inheritance of a plot of land are settled in the courts.

If there are no heirs who want to operate the peasant farm, the plot of land is transferred by inheritance in proportions established for personal subsidiary farming, or for the use of a dwelling, or for private fruitgrowing and animal husbandry.

Heirs continuing to operate the peasant farm are exempted from payment of the state duty on inheritance of the plot of land.

19. Article 32 is to read as follows:

Conditions for Termination of the Peasant Farm's Activity

The activity of the peasant farm is terminated in the following cases:

- a) if the plot of land is not used for agricultural purposes for a period of one year;
- b) by decision of the members of the peasant farm to terminate its activity;
- c) if there does not remain even one member of the farm or heir who wishes to continue the farm's activity;
- d) if the plot of land is being used with methods which are resulting in degradation of the land;
- e) if the plot of land has been duly confiscated for state purposes or public purposes;
- f) in connection with bankruptcy.

20. Article 33 is to read as follows:

Procedure for Termination of the Activity of a Peasant Farm

1. The decision to terminate the activity of a peasant farm is made by the rayon (city) soviet of people's deputies.

Disputes on termination of the activity of a peasant farm are decided in the courts.

2. Confiscation of a plot of land from a peasant farm in accordance with established procedure for needs of the state and public purposes may occur after it has been allocated an equivalent plot of land at its desire by the soviet of people's deputies and after the enterprises, institutions, and organizations to whom the land is being allocated have built on the new site residential buildings, production buildings, and other structures to replace those compensated, and after reimbursement of the full amount of costs and losses, including lost income.

3. When the activity of a peasant farm is terminated, its property is used for settlement in remunerating the labor of individuals who have concluded contracts on use of their labor, to make payments into the budget, to repay loans to banks, and to make settlements with other creditors. Remaining property and proceeds realized from its sale are preserved as common property or divided up.

II. The RSFSR Law on the Peasant (Private) Farm takes effect with the amendments on 1 January 1991.

RSFSR Law on Budgets in Rayons, Other Administrative Units

914A0260A Moscow SOVETSKAYA ROSSIYA
in Russian 29 Dec 90 Second Edition p 3

[RSFSR Law: "On the Creation of 1991 Budgets by Rayons, Cities, Urban Rayons, Towns, Rural Population Centers and Other Administrative Units in the RSFSR"]

[Text] For the sake of ensuring stability in the financial situation of and procedures for the creation of budgets by rayons, cities, urban rayons, towns, rural population centers and other administrative units which have been formed in accordance with the laws of the RSFSR and the republics which comprise the RSFSR and guided by the principles established by the RSFSR law: "On 1991 Budgets in the RSFSR," and for the purpose of firmly establishing procedures for creation of those budgets (Article II of the present law) the RSFSR Supreme Soviet hereby resolves:

I. Principles of Budgeting

1. Soviets of people's deputies in rayons, cities, urban rayons, towns, rural population centers and other administrative units shall independently draft, approve and carry out budgets for their corresponding territories in the best interests of the public.

2. The aforementioned budgets shall be created on the basis of projected revenues and expenditures within the territory in question, with budget support to be no less than that of 1990, with consideration given to:

- changes in population;
- greater expenditures as a result of the transfer of additional powers to local soviets of people's deputies in the realm of economic and social development of their territories from higher-level soviets and the conversion of facilities previously belonging to ministries and agencies into municipal property;
- subsidies to cover differences between procurement and retail food prices.

Types of revenue in the aforementioned budgets are defined by the present law, and agreed-upon, stable standards for the payment of these revenues shall be approved by a higher-level soviet of people's deputies within a limit established by the soviet of people's deputies for this purpose.

II Budget Revenues

3. The following revenues shall be paid in full into the budgets of towns, cities under rayon jurisdiction, rural population centers and urban rayons:

- taxes on profits, natural resource use payments from enterprises and organizations which are among the municipal property of a given soviet of people's deputies, and also from joint ventures in accordance with the share of respective local soviets of people's deputies in them;

- taxes from cooperatives and small enterprises which conduct commercial activity within the territory of a given soviet of people's deputies and are registered with it;
- lease payments for land which is under the authority of a given soviet of people's deputies;
- receipts from the lease or sale of property which is the municipal property of a given soviet of people's deputies;
- local taxes, fees and duties;
- other receipts which are in accordance with the laws of the RSFSR and the republics which comprise the RSFSR.

4. The following revenues shall be paid according to stable norms into the budgets of towns, cities under rayon jurisdiction and urban rayons:

- a portion of taxes on profits by union, republic and other enterprises and organizations located within the territory of a given soviet of people's deputies and not referred to in Paragraph 4, including kolkhozes, consumer cooperatives and public organizations;
- a portion of turnover taxes;
- a portion of other taxes in accordance with the laws of the RSFSR and the republics which comprise the RSFSR.

5. The following revenues shall be paid in full into the budgets of cities (except cities under rayon jurisdiction), rayons in autonomous oblasts and okrugs, and rayons in oblasts (or krays):

- taxes on profits and use of natural resources from enterprises and organizations which are among the municipal property of a given soviet of people's deputies, as well as from joint ventures in accordance with the share of local soviets of people's deputies in them;
- taxes on cooperatives and small enterprises which conduct commercial activity within the territory of a given soviet of people's deputies and are registered with it;
- lease payments for land under the jurisdiction of a given soviet of people's deputies;
- revenue returns from the leasing or sale of property which is found in the municipal holdings of the council of people's deputies in question;
- other receipts in accordance with the laws of the RSFSR and the republics which comprise the RSFSR.

6. The following revenues shall be paid according to stable norms into the budgets of cities (except cities under rayon jurisdiction), rayons in autonomous oblasts and okrugs, and rayons in oblasts (or krays):

- a portion of payments for use of natural resources;
- a portion of profit taxes on union, republic and other enterprises and organizations located within the territory of a given soviet of people's deputies and not referred to in Paragraph 6, including kolkhozes, consumer cooperatives and public organizations;
- a portion of turnover taxes;

- a portion of motor vehicle taxes;
- a portion of other taxes in accordance with the laws of the RSFSR and the republics which comprise the RSFSR.

7. Income taxes on USSR citizens, foreign citizens and individuals with no citizenship, taxes on kolkhoz salary funds and taxes on unmarried individuals, citizens living alone and members of small families shall be levied by institutions, enterprises and organizations and paid into the budgets of rural population centers, towns, cities under rayon jurisdiction and urban rayons based upon the average amount of the aforementioned taxes per capita in a rayon or city with rayon subdivisions, and in proportion to the number of residents in the administrative unit in question.

8. Income taxes on USSR citizens, foreign citizens and individuals with no citizenship, as well as taxes on unmarried individuals, citizens living alone and members of small families in cities under oblast jurisdiction without rayon subdivisions shall be levied by institutions, enterprises and organizations and paid into the budgets of those cities.

9. In the event that it is impossible to balance the budgets referred to in Article I of the present law by levying turnover taxes and profits taxes higher-level soviets of people's deputies may, with the consent of soviets of people's deputies in cities, urban rayons, towns, rural population centers and other administrative units, use income tax on USSR citizens, foreign citizens and individuals with no citizenship and on unmarried individuals, citizens living alone and members of small families to balance budgets.

10. Soviets of people's deputies may, in accordance with the laws of the USSR, the RSFSR and the republics which comprise the RSFSR, independently establish tax rates on profits by enterprises and other organizations which are part of their municipal property as well as cooperatives and small enterprises conducting commercial activity within the territory of a given soviet of people's deputies and registered with it, local taxes, fees and duties, and may also, within the limits of the portion of profit taxes receivable by them, create tax breaks in regard to these payments for any enterprises and organizations located within their territory.

11. Subsidies, subventions and other forms of financial aid from other budgets may be paid into the budgets of rayons, cities, urban rayons, towns, rural population centers and other administrative units.

III. Expenditures and Budget Balancing

12. Financing of budget expenditures by rayons, cities, urban rayons, towns, rural population centers and other administrative units is based on those administrative units' revenues, as well as on subsidies, subventions and other forms of financial aid from the budgets of republics comprising the RSFSR, the budgets of autonomous oblasts and okrugs, krays, oblasts and the cities of

Moscow and Leningrad, as well from special-purpose and nonbudgetary funds created in accordance with the laws of the USSR, the RSFSR and the republics which comprise the RSFSR.

13. Local soviets of people's deputies in rayons, cities, urban rayons, towns, rural population centers and other administrative units shall independently:

- determine areas for use of local budget funds and carry out expenditures of budget funds;
- increase expenditures for maintenance of housing and municipal services and facilities for health care, public education, social security, science, culture, sports, law enforcement agencies and environmental protection agencies within the limits of available funding;
- allocate revenues from motor vehicle taxes for special-purpose use in the development of transportation systems;
- establish additional benefits and payments, as well as other expenditures for the purpose of rendering assistance to certain categories of the population which require social protection;
- form reserve funds and special-purpose funds.

14. Additional revenues received during the budget period, as well as surplus revenues in excess of expenditures resulting from additional revenues received or reduction of expenditures, shall remain in budget funds, are not subject to expropriation and shall be used at the discretion of the appropriate soviet of people's deputies.

IV. Concluding Statement

15. Other RSFSR laws regulating the creation of the RSFSR budgets indicated in Article I of the present law shall remain in effect insofar as they do not contradict this law.

16. The present law shall take effect immediately upon passage.

Signed: B. N. Yeltsin, RSFSR Supreme Soviet Chairman, RSFSR House of Soviets, 22 December 1990

Alternative Ukrainian Draft Law on Property Viewed

914A0203A Kiev RADYANSKA UKRAYINA
in Ukrainian 4 Dec 91 pp 1,3

[Interview with A. S. Halytsky, professor and head of the Ukrainian Center (Center) of Market Relations and Enterprise, by Ya. Oleksandrenko: "What Kind of Law Shall There Be Concerning Property"]

[Text]

[Oleksandrenko] Sharp debates at the Supreme Council of the URSR, which our newspaper has already covered, were provoked by the project of a final law on economic

reform—concerning property, and not only in the session hall. An active group of specialists from the Ukrainian Center (Institute) of Market Relations and Enterprise put in their word. What is the essential issue here? We asked the leading professor, A. S. Halchynsky, to address this issue.

Anatol Stepanovich, it is known today that a group of specialists of the Ukrainian Center of Market Relations and Enterprise has prepared an alternative project, a law "concerning property in the Ukrainian SSR." Along with other projects, which other collectives have worked on, this project was discussed in the deputy's club. Couldn't you, as the leader of the group, tell the readers about the basic content of this document? What is your legislative project based on?

[Halchynsky] I would like to immediately say that we are examining our legislative project, regarding it as a logical continuation of the law passed by the parliament of the republic concerning the economic independence of the Ukrainian RSR. I especially stress this point, because in some projects, which have been worked out by other active groups, in a series of fundamental points, provision is given that allows for a departure from the resolutions fixed on by the Higher Council in the aforementioned document, and specifically, in regards to the issue of property. The ink of the signatures of its [the documents'] leaders had not yet dried for this law, when already proposals were introduced to re-examine it. I think it is necessary to say that in our project something similar will not be allowed to take place. For us each the letter of this document was regarded as the letter of the law, which has already been accepted and should be unhesitatingly put into practice.

[Oleksandrenko] Yet all the same, what is the logic of your project, its main direction?

[Halchynsky] Let us make a brief explanation. Most important of all, what we have striven for leads us to making three basic propositions. First of all, this is a creation set up by legal means, a real structure for owning property in an economically independent Ukraine, which is a necessary pre-condition for its state sovereignty. Another direction is related to the securing in deed of various legal guarantees by means of various forms of property ownership, and the development on this basis of an open, effective competitively capable, multi-layered market economy, which in consideration of its inner structure, would not back away from, but would rather, conversely, organically unite with the world economies' functioning structures, link itself to them. And third, surely, the main orientation of our project lies in its social direction, the legal protection of working people.

[Oleksandrenko] Let us turn to a more concrete look at these issues.

[Halchynsky] First of all, I want to turn your attention to the second section of the project, in which the issue

concerns the Ukrainian people's property, which is the basis of its state sovereignty, political and economic independence...

[Oleksandrenko] Excuse me, Anatoly Stepanovich, but, as far as I know, this issue has already been fixed in the law concerning economic sovereignty. I would like to ask you to turn your attention to the point of how your project differs from others? This is after all, I am really convinced, what interests our readers above all else.

[Halchynsky] I have just this issue in mind. Really, we did not begin with making resolutions concerning the property of the people of Ukraine. It is fixed in our aforementioned law. And as an academic, I am convinced that this is an extraordinarily important step not only in the republic's legal structure, but in the development of theoretical resolutions concerning property as well. Unfortunately, as earlier, the authors of these resolutions are left anonymous, though it is worthwhile to give them their due. But in itself the recognition of the lawfulness of the resolutions concerning the people's property still does not decide the issue of what kind of other aspects it will have, which would determine what kind of mechanisms it needs in order to be put into practice. Here our position is completely unambiguous. We took as a point of departure the fact that insofar as the Ukrainian people's property is the basis of its economic sovereignty, then it should be inviolable and indivisible. It should not become alien to the people. In other variants of the project this fundamental proposal, in my view, is being ignored.

[Oleksandrenko] You have in mind that the privatization of land is one of the main objectives of people's ownership.

[Halchynsky] Yes, exactly this. Even in the Bible the idea was worked in that God gave the earth in its entirety to all of humanity, and this means, to each person that lives on it. Property is another issue. It, again according to divine law, is to be worked, gained by work. Precisely in this fact lies the higher principle of social justice, towards which every generation of people has always striven for. The earth must serve each one of us. Here our position is unambiguous. Naturally, I am far from simplifying this issue. In the republic the most varied and more importantly, the most economically flexible structures of developing the earth should be introduced. What especially appeals to me, are the thoughts that have been expressed during discussion of projects by some of the deputies. We are holding to the proposition that our earth is granted to the citizens, who work it, for perpetuity, inherit [a right over] its control and use. This proposal differs from the right of private ownership of the land only with this fact: the land cannot be sold by anyone. In our view, considering the conditions of Ukraine, currently this is the most optimistic of legal norms.

[Oleksandrenko] In regards to this issue your point of view is completely understandable. But one would like to

hear a more distinct elaboration of your attitude to the issue of the mutual relations between the structures of the people and the state's property.

[Halchynsky] This is also one of those issues, which arose in various projects. In my view, we managed to determine the distinct borders between these structures both from the point of view of their properties, as well as, which is especially important to distinguish, from the subjects using the properties. In addition we are not opposing the people's to the state's property. But the latter should profoundly change its profile. To a significant measure its scope will diminish. This process is already taking place. We have introduced into the projected law a special article, which determines the points of departure for the dismantling state ownership and the privatization of this form of property.

[Oleksandrenko] What can you say about individual citizens' property, paying particular attention to disparities?

[Halchynsky] Again I can refer to the law concerning economic independence, where it is spelled out that property of citizens of the republic takes the form of individual property, which has two forms—residential and commercial. In the projects, which are being discussed along with ours, the property of citizens works out to being only a residential type of property. From the point of view of economic theory this [view] lacks substantiation. We do not share this point of view, and we support the positions of the law I noted. And most important of all—in our project, propositions are provided that characterize the nature and functions of individual properties, which serves as the point of departure, the basis on which the entire structure of property relations is erected.

The matter at hand concerns an individual's property and his productive labor. In the project it is stated: by law, each person has the exclusive right, free of any kind of political or social limitations, to dispose of and use his abilities, working qualifications, and practices to engage in productive labor, which is protected by legal guarantees to the fullest, developed extent, with complete material and monetary renumeration. I believe that in connection to the shift to market [economic] relations these resolutions are acquiring a very significant meaning. From another view, one can say that one cannot support the view that confuses a citizen's private property, which is the result of a reward for all forms of his productive labor and which he uses with an aim to their own personal use, and the private commercial property, which has a strictly productive character. I will say that in our project there are included legal structures which favor the maximum degree of developing the latter [form of ownership]. And the main thing—we, in my view, have found the bridge which unites together in one unit individual and collective forms of property, which is extraordinarily important.

[Oleksandrenko] What do you have in mind?

[Halchynsky] You know, in this issue we have turned to the experience of the western nations. As is known, in their economies, the corporate form of ownership is very characteristic. Let us say in U.S., corporations account for 90 percent of the goods produced. What determines their leading role in the economies? The fact of the matter lies in their organic link to the legal institution of private property and the collective form of ownership, which going by its size is the larger economic structure. That is precisely why no one else but Marx himself regarded the corporation, which earlier we always neglected, as one of the forms of ownership, which refutes [the ideas of] capitalism within the very framework of capitalism. I studied precisely this question and spoke about it frequently in the press.

In regard to this fact, the projected law, which we have prepared, the varied types of collective property owners are to be granted the status of a corporate association. In accordance with this, the members of such associations are regarded as private co-owners of their collective assets, which are controlled by the working collective. Such a form of private property, which is based on the work done by the employee, is to be protected by law. I do not have the time to go over this issue at great length, but as an economist, I am deeply convinced of the fact that this lawful norm, which organically ties private and collective forms of property, creates especially favorable conditions for overcoming the alienation of people from the means of production, which has held back their productive initiative so much.

[Oleksandrenko] What in your view is the most important aspect of your law in terms of its social orientation, which you have been speaking about?

[Halchynsky] Here there is a lot which can be talked about. But I will only address one issue.

The projected law has the following orientation: all material and spiritual values, which are situated on the sovereign property of the people of the Ukraine, are the direct, embodiment of the people's work. This gives one the opportunity to regard each person, who works, as being a co-owner of the means of production and the results of his work.

[Oleksandrenko] What lies concealed behind this? Won't such a statement acquire a propagandistic ring, to which we have already become accustomed?

[Halchynsky] Not at all. In the projected law, norms determine that in connection with the said law, each worker, besides receiving a part of his salary from the profits of his company, will receive a percent of the profits of his company, and also take part in administering them. The worker, who makes material goods, should be the real owner of the goods, and we are striving to establish an appropriate legal basis to support this principle. It is important to emphasize also that such a normative type of principle is applied to activity of all

enterprises and organizations without exception in the sphere of industrial production, including state production.

In conclusion, I would like to turn my attention to a notion that I stated during a discussion with one of the deputies, and with whom I was in complete agreement. For the people of the Ukraine, he emphasized, it makes no difference who will introduce the legal project which is being discussed and which collectives are its authors. The main thing, naturally, is the content of the document, which is the issue at hand. And that is how it is. In each of the projects which arose during the time of discussion, there is much which is valuable. That is why the issue is for the parliament. I guess that it will have something to think over.

[Oleksandrenko] And all the same... Name, if you would, the co-authors of this, undeniably, interesting document.

[Halchynsky] This working brigade is made up of leaders from the Higher Council of URSR the People's Deputy O.O. Morozov, Professors V. I. Senchenko, V. P. Chervan, T. T. Kovalchuk, Docents O. I. Soskin, O. O. Pokreshchuk, O. H. Pukhkal, V. V. Radchenko, M. O. Telyuk, the People's Deputies of the URSR Yu. S. Serbin, V. R. Marchenko, and V. M. Holovach.

[Oleksandrenko] Thank you.

Ukrainian SUPSOV Commission Head on Market Economy Draft Legislation

914A0238A Kiev RADYANSKA UKRAYINA
in Ukrainian 5 Dec 90 p 2

[RADYANSKA UKRAYINA interview with head of UkSSR Supreme Soviet Commission on Social Problems Policy, Ukraine People's Deputy N.P. Bilobotskiy: "This Concerns Everybody" under the rubric "Economic Reform: At the Market Threshold"]

[Text]

[RADYANSKA UKRAYINA] Dear Nikolay Petrovich, our readers know from the diary of the UkSSR Supreme Soviet Session that last week the first draft of the Law on Regulating Labor Relationships During Republic's Transition to Market Relationships was discussed. This problem concerns and worries everybody, because the market provides for a new system and culture of the development of labor relations. Could you tell us in greater detail about the principle concepts your Commission proceeded from when evaluating the Government draft of the Law?

[Bilobotskiy] First of all, we checked how the proposed changes, addenda and amendments to the existing: "Ukrainian SSR Code of Labor Laws" open up the possibility for transition from the existing wage-leveling in distribution according to labor to close relationship between income and work results.

Secondly, we carpingly and attentively looked and contrived to see how the addenda envisage the expansion of rights of enterprises and organizations, regardless of the form of ownership, to regulate labor relations with their employees. It is well known that the Labor Code focuses on and personifies a complex pallet of various-level interests—public, collective, personal, interests of social groups and strata, professional interests, etc. This is why it is important that a worker with his or her needs and interests is not pushed into the background. The main thing is not to leave him or her one-on-one with market elements.

And thirdly, in assessing the project the Commission members were taking into account opportunities for increasing labor productivity and effectiveness of public production. They also wanted to know how structural restructuring of the Republic's national economy is supported. In other words, we were also interested in whether preconditions and guarantees of the right to work are created.

[RADYANSKA UKRAYINA] All this probably called for reviewing and changing a large number of articles of the existing Code of Labor Laws, as well as for close cooperation with other UkSSR Supreme Soviet Commissions.

[Bilobotskiy] This is correct. The Code is a set of laws. It has over 260 articles. A lot of time is needed to change them. According to estimates of Mintrud UkSSR [the UkSSR Ministry of Labor] experts, in order to prepare a new version of the Code, one first has to adopt or improve 21 bills. The Government has proposed changes to 40 articles of the existing Code of Labor Laws that deal with regulation of labor relations. When our Commission, together with the Commission on Problems of Law and Legislation, examined the Government bill, we made addenda and changes, in addition to the preamble, to 32 more articles. All in all, changes to 72 articles and the preamble were proposed.

[RADYANSKA UKRAYINA] Nikolay Petrovich, our readers of course would like to know in greater detail about the changes and addenda to the existing Code.

[Bilobotskiy] The first group of addenda is comprised of changes that must be made to KZoT USSR [the UkSSR Code of Labor Laws] because of the Declaration on the State Sovereignty of the Ukraine and the Law on Economic Independence of the Republic and the new wording of Article 71 of the Ukrainian SSR Constitution. We proposed to state that USSR labor laws have effect in the Republic as long as they do not contradict Ukrainian SSR laws. This virtually means that the Republic's laws have precedence over all-Union laws.

Another group of changes and addenda is related to the adoption of the Ukrainian SSR Law: "On Economic Independence of the Ukrainian SSR" and to the Republic's transition to market economy. They define the sphere of action of Ukrainian SSR labor laws under the conditions of various forms of ownership. The draft

stipulates that Ukrainian SSR labor laws cover all employees who enter into labor contracts with enterprises, institutions and organizations.

As far as labor of members of cooperatives, employees of lease enterprises and employees of joint ventures, the draft states that it is regulated by Ukrainian SSR laws pertaining to these organizations.

[RADYANSKA UKRAYINA] Undoubtedly, these changes and addenda to the existing Code are important and based on principle. But in my opinion they are somewhat general and so to speak abstract in character, as far as an employee is concerned. I would like to know about changes that concern each of us.

[Bilobotskiy] An especially large number of changes and addenda to the Code were made on problems of organization of a labor contract, ensuring employment of the Republic's population, rate setting and labor remuneration, and labor discipline.

In particular, it is our opinion that one will approve the addition of an article dealing with expanding the rights of enterprises, institutions and organizations to provide additional, compared to those decreed by the law, labor and social and consumer benefits.

Thus, an enterprise will get the right, using its own funds, to stimulate financially employees of medical, child care, cultural, educational and sports institutions, public catering organizations and organizations that provide services to but not part of the working collective.

Social guarantees for employees that are freed up due to changes in the organization of production and labor, particularly due to reorganization and changes in an enterprise's profile, will be a step higher. In such cases it is provided that freed up employees will be paid their average monthly earnings for three months (vs. two months currently).

I must say that the Commission members did not have a common opinion when we discussed the article dealing with the right to end a labor contract (the part dealing with the time frame) by the employee. There were various proposals. But we still have agreed that for market mobility it pays to reduce to two weeks (vs. two months currently) the time of the advance notice an employee must give to the owner or an owner-authorized body on his or her desire to quit.

I would also like to stress that in their approach to grounds for cancelling a labor contract by an enterprise owner or an owner-authorized body changes proposed by the Commissions differ considerably from the Ukrainian SSR Council of Ministers draft. The Council of Ministers proposes to confine them to only three grounds, including such an extremely general one as "employee's guilty actions in the labor collective." You would agree, wouldn't you, that this gives the employer unlimited opportunities for arbitrary interpretations and therefore for groundless firing of employees.

In Commission meetings we have become convinced that until the new Code is adopted one must leave in effect the existing wording or articles enumerating clearly defined grounds for cancelling a labor contract by the owner or an owner-authorized body. They cover specific cases of disciplinary violations. We support the restoration of the groundlessly repealed condition of obtaining the trade union committee consent for firing an employee by the owner or an owner-authorized body.

The draft introduces an important legal standard of the State guarantee of providing jobs for those who discontinued labor relations on legal grounds, if they themselves cannot find a job.

[RADYANSKA UKRAYINA] I understand the importance in principle of these legal standards. And I would like to ask you how the future Law envisages guarantees of minimum wages, one of the basic components of social protection of the worker? I think even today this worries each employee.

[Bilobotskiy] I would like to call your readers' attention to the fact that according to the "Law on Economic Independence of the Ukrainian SSR" the State social guarantee of the minimum level of labor remuneration for all categories of employees, regardless of forms of ownership, is being introduced over the entire territory of the Republic. This level must be based on calculation of the minimum consumer budget under market conditions.

The draft not only provides for preservation of currently existing guarantees in labor remuneration, but it also amends them with a number of new in principle guarantees.

Thus, according to the draft of the Law, even during the transition-to-market period the entire system of social guarantees will be based on a qualitatively new element—the living wage established by law.

A new wording of the article that says that increased tariff wages and salaries above the minimum are established independently by the enterprise, institution and organization within the limits of available payroll funds and without violating the correlation of labor remuneration for employees with various skills that is established by the State tariff scale, provides broader guarantees than the existing Code. It is the opinion of professionals that this will become an important incentive for improving employee's skills.

[RADYANSKA UKRAYINA] Could you please comment on changes and addenda dealing with social protection of labor rights of women?

[Bilobotskiy] The Law has over 10 legal standards dealing with this problem.

As far as specific articles are concerned, it is proposed, for instance, to prohibit using pregnant women and women with children of up to three years of age (vs. two years currently) for night, overtime and weekend work

and sending them on business trips. The use of women with children 3-14 years old for the above assignments is restricted.

It is planned to give women 112 days of pregnancy leave, 126 calendar days in cases of birth-related complications or when giving birth to two or more children. If a woman so desires, she will be given a partially paid child-care leave until the child is 1.5 years old, with State Social Security payments during this period.

Guarantees of hiring and the prohibition to fire pregnant women and women with children, of giving them passes to resorts and holiday homes, providing them with financial help, etc. are spelled out more clearly.

In the process of discussing the bill at the Session a lot of proposals, ideas, and comments regarding a number of labor legislation terms were brought up. And they keep coming even now from the Supreme Soviet Commissions, individual deputies and citizens of our Republic. We hope that by taking them into account the Law will become a reliable guideline for our nearest future in the labor relations area.

We proceed from the assumption that it is important to incorporate in the Law social guarantees for each member of our society. If a person works well, market relations must guarantee him or her high earnings and prosperity.

'Deformation' of Ukrainian Economy Viewed

914A0206A Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 10, Oct 90 pp 3-20

[Article by I. Lukinov, academician: "Problems of Radical Restructuring of the Ukraine's National Economy"]

[Text] The present era is characterized by complex and contradictory processes of renewal of public structures and transformation of the political, socioeconomic, and spiritual life of nations and of the entire system of both intrastate and interstate world economic relations and ties. In various regions and countries of the world these processes are far from homogeneous in their direction and intensity—from revolutionary explosions to slow evolutionary transformations. Whereas, for example, West European countries gradually, but consistently, evolve in the direction of integration, the policy of perestroika in Eastern Europe has led to an explosive disintegration and has given scope to aspirations for autarky from the economically inefficient unity. For all that the idea of abolition of hostility among nations and elimination of ideological and military confrontation now plays the dominating role in European and, moreover, all world policy, which gives our civilization a chance not to cease its existence and, consequently, ensures its further progress. The latest scientific and technical discoveries and achievements of social thought and accelerated rates of development of fundamental knowledge about nature, society, and man himself with his powerful intellectual potential and constantly

growing needs, which initiate progressive shifts, represent the most effective impetus to the above.

The Ukrainian SSR—a major European state and UN member from the day of its foundation—is in the epicenter of East European processes characterized by the revival of national self-consciousness of nations and has embarked on the path of truly democratic development and profound sociopolitical and socioeconomic changes. By no means homogeneous, new political forces, which sometimes oppose each other, have entered the arena. Along with a moderately centrist wing oriented toward the implementation of efficient reformations, both right-wing conservative and left-wing extremist forces have evolved, trying to undermine perestroika under the slogan of democratization. This not only does not accelerate, but seriously complicates, the course of socioeconomic and spiritual transformations. Sharp debates and confrontations among various strata of Ukrainian society and among its political and intellectual circles—from the parliament to workers' and peasants' collectives—divert their forces, instead of consolidating and concentrating them on creative activity and acceleration of economic development, and bring about a certain instability, tension, and threat of a "cold," as well as a dangerous "hot," confrontation.

Problems of state sovereignty, which include national policy, economy, and culture, have now acquired special significance and acuteness. The need to ensure true independence and self-dependence for the Ukrainian people, as well as for all others forming the Union Federation, in a free choice of the system of their internal lives and economy and in the development of national culture and language and of interrepublic and international relations on principles of mutual benefit and equivalence of exchange hardly evokes fundamental objections on the part of anyone today. Differences of opinion concern only certain interpretations of the essence of sovereignty itself and its individual questions, on which it is not difficult to reach an agreement if there is goodwill by the parties in the course of a political dialogue through the establishment of efficient contractual and mutually beneficial relations among sovereign republics striving for socioeconomic integration and unity. The Ukraine is to play an ever greater role in the world community, primarily, in the common European home. Its geographical position in the center of the European continent also obligates it to this.

The emergence in our time of fundamentally new political and scientific ideas and their dissemination and mental mastery through the application of the latest systems of information science accelerate the changes occurring in society. These changes concern quantitative, qualitative, and structural transformations not only in productive forces and in the combined production potential, but also in the entire system of social and economic order, economic relations, structures, and ties, and political views, in ideology, and in the spiritual potential of nations and nationalities throughout the world.

Social dynamism is derivative from the combination and action of factors in progress and regression. These antipodes accompany and at times determine and direct the often winding path of mankind's development throughout centuries. Periods of upsurge give way to periods of stagnation and decline with a subsequent entry into the next cycle of development. In other words, society progresses unevenly with greater or lesser deviations from the initial straight line. The correlation in the confrontation of progressive and regressive principles determines both the rates and quality of economic growth and the ascent of man himself from relatively lower degrees of progress to higher ones.

These processes are objectively unavoidable and never-ending. After all, stagnation and decline, which drag out too much, can lead to society's degradation, to which the sad lessons of the past of many countries attest. Therefore, the categories of restructuring and renewal represent not only our internal (regional or national) creation as a reaction to the administrative command system, which has had its day. Reforms of social renewal are important for nations, political parties, and their leaders of every country and every nationality if, by means of a prompt prevention and treatment of the system of social order, they want to avert and prevent stagnant and crisis phenomena and if they want to progress constantly. At the same time, in present-day civilized society it is no longer admissible to bring matters to bloody and destructive revolutions and wars causing a great deal of suffering to people, which in no way is compatible with progress.

Despite the fact that the radical political and economic reforms implemented in our country have encountered serious problems and difficulties and sharp contradictions and conflicts among various social and national forces, nevertheless they have given a strong impetus to new thinking, democratization, glasnost, society's economic and spiritual renewal, release of its potentials, and a free choice by every nation of the ways of its further economic and social development. Although the rates of economic growth still continue to decline, the scarcity of the commodity market and of the state budget becomes aggravated, inflation and speculative tendencies intensify, and the purchasing power (especially of low-paid population strata) declines, nevertheless the developed measures to stabilize the economic situation and to change over to the system of a market economy, as well as the adopted packages of legislative acts on self-management and political and economic sovereignty of every republic and other national formations, offer hope for a real change for the better in the future and for a fundamental improvement in the economic situation.

The Ukraine's economic scientists, jurists, and sociologists fundamentally investigate the processes occurring in the course of economic reform, develop scientific concepts of its implementation, and prepare drafts of corresponding laws and programs for the republic's parliament and government. To be sure, their practical

implementation requires some time and the concentration of labor efforts and financial and material resources. There is a need for significant changes in structural, investment, financial-credit, price, and tax policy and for radical transformations in the entire system of property relations and in management forms on the basis of scientific and technical progress, development of multi-formity, extensive entrepreneurial activity, leasing relations, and workers' cost-accounting interest in producing more, more cheaply, and better. Legislative acts on property, land, taxes, development of cooperatives, individual labor activity, joint-stock forms of management, local self-management, and so forth are to create a reliable legal basis for this.

Among other Union republics the Ukraine, following the RSFSR, has the most favorable conditions and capabilities for independent economic development in an efficient structure and at high rates. It has powerful industrial, agro-industrial, and scientific-technical potentials and a high level of economic intensity. The Ukrainian SSR population totals about 52 million. Its state sovereignty extends to a territory of 603,700 square km and to all mineral wealth, water and air basins, plant and animal worlds, and production, social, and spiritual potentials accumulated by the republic's peoples. Having only 2.7 percent of the land territory, 18 percent of the population, and 15.5 percent of the fixed productive capital of the USSR, the Ukraine produces about 17.4 percent of the country's industrial output and 22 percent of its agricultural output.¹ In 1988 the republic's proportion in the all-Union output of iron ore reached 46.4 percent, in the output of cast iron, 41.4 percent, and in the output of steel, finished rolled metal products, and steel pipes, about 35 percent. The Ukraine produces more than one-fourth of many types of machinery and equipment, 35.6 percent of the television sets, more than one-half of the granulated sugar, and more than one-third of the sunflower oil.²

However, as a result, first of all, of the deformation of the economic structure and the historically formed one-sided direction in economic development for an outstripping increase in the extraction of mineral-raw material and fuel-power resources and in the output of industrial sectors of group "A" (which also includes the output of defense equipment), there was an artificial restraint in sectors of group "B," which saturate the market demand and determine the level of the population's material well-being. For example, in 1988 in the total volume of the republic's industrial output the means of production accounted for 72.1 percent and consumer goods, only 27.9 percent.³ We would like to note that in 1928 this ratio was 42:58, in 1940, 62:38, in 1960 and 1970, 71:29, and in 1980 and 1988, 72:28. Such a direction in the movement of this ratio to some degree intensified the commodity shortage. Agriculture, forestry, processing sectors of industry, and their enterprises were transformed into a direct investment donor for ensuring outstripping rates of development of the group "A" industry.

It is not enough that during the period of mass collectivization strong, so-called "kulak," farms were destroyed, their owners were exiled, and, thereby, the foundations of peasant management were undermined: The state procured products on sovkhozes and kolkhozes, essentially, for next to nothing—more accurately, at symbolic delivery prices, which hardly covered one-third of the current economic expenditures. Monetary accumulations and labor resources of rural areas by means of noneconomic methods were pumped into the advance of heavy industry and construction of cities and, indeed, this produced an increase in corresponding capacities. Unfortunately, however, it did not ensure an adequate return, expansion and acceleration of the commodity turnover, and an outstripping growth of national income, profit, and accumulation and consumption funds.

The defense sectors of industry with an exclusive priority for development absorbed the lion's share of public resources and about two-thirds of the scientific and technical potential, for a long time making hardly any contribution to civil production, to the market, or to improving people's lives. At the same time, the most profitable economic spheres (light, timber, and food industry sectors with a rapid rate of turnover and with approximately 1.5- to 3-fold higher profitability and return on fixed and circulating capital) were without the necessary accumulations and investments and without possibilities of making large-scale technological renovations. The overwhelming part of the profit and even of the depreciation allowances was appropriated for the state budget. In general, the production of goods and services for the public was not considered a prestigious business. Paradoxical as it may seem, capital was transferred not to where it was more profitable in accordance with the laws of a normally functioning economy, but to where the planned command "from above" assigned it.

In the past the republic did not have sovereignty and the right of an efficient economic regulation. Duplicating the decisions of Union bodies (including of the USSR Gosplan, ministries, and departments), it could not form its own economic structure, which would meet local conditions and characteristics and the people's interests. Today its economic structure, as in a mirror, reflects the obviously deformed and stereotyped structure of the Union economy, which is extremely inflexible and detached from changing consumer needs, from the market in its broadest sense, and from the most important final stages in the reproduction cycle—circulation and consumption. The situation has seriously deteriorated during the recent years of "inactive perestroika," when speculation, cheating, crime, and corruption have intensified and inflation rates have reached seven percent annually.

There can be no talk of any saturation of the commodity market if, subsequently, the growth of effective demand outstrips twofold the growth of the mass of commodities and if investment rates and the growth of consumer goods production remain at the same low level formed

during the last quarter of the century, despite the proclamation of the program for outstripping development of subdivision II as compared with I. Even in the last few years of perestroika almost three-fourths of the republic's industrial investments have gone into machine building, fuel-power, and metallurgical complexes, whereas only one-tenth of them has been allocated for food and light industries.

Meanwhile, calculations indicate how backward, for example, our base for the storage and processing of agricultural products is as compared with present world achievements in this sector. About one-third of the raw materials perish owing to their tardy and poor-quality harvesting and transportation and poor storage and processing into goods ready for consumption. There is a need for a radical renewal of the existing and a buildup of the new production potential in places of raw materials production in order to radically reduce losses, to increase the mass of commodities, and to fill the present acutely scarce market with them. Almost everywhere the state trade network is now devastated and goods flow on a mass scale into so-called "shadow" and, if to be more precise, speculative circulation. In connection with the program for an increase in the prices of bread and some other foodstuffs announced by the Union Government speculative demand and trade panic have begun. Everything that is needed and not needed is bought up. The people are troubled by the transition to a market economy, which is erroneously connected only with an unrestrained rise in prices and inflation. Right now the gaps in the levels of state retail and speculative prices of scarce goods have increased 5- to 10-fold and more (as compared with 1.5- to 2-fold during the recent past). At the same time, smart trade dealers are economically interested in preserving shortages by different means in order to enrich themselves even more by robbing consumers and the state pocket.

The two-sector (abstract) model of formation of the sectorial structure developed by K. Marx in conformity with the era of initial development of machine production with consistently outstripping rates of increase in subdivision I as compared with II, which was adopted by planning bodies at one time, has led the country's present economy to a certain "ossification" and to a loss of dynamism and of the possibility for a rapid adaptation on the part of the national economy and its entire structure to changing consumer needs and to formed market conditions.

The increase during decades under command pressure in gross production volumes for the sake of production, not for the sake of attaining social goals, not for the sake of an outstripping growth of final products—masses of commodities and services in a structure and of a quality meeting consumers' effective demand—was manifested in negative tendencies, aggravation of market shortages, and imbalance of macro- and microeconomic structures in the movement of physical, value, and monetary forms of goods in economic circulation.

Meanwhile, economic thought and the theory of knowledge about the present expanded reproduction process and formation of efficient structures have advanced far from Marxist models. Two-sector models with a high degree of mathematical correctness have developed into an intersectorial table arranged by column and line. Investigations of market conditions and of flexible economic management systems by means of the mechanism of market (indirect) regulators (prices, finances, credits, and tax and investment policy), which rule out the need for bureaucratic administration for attaining high end results and for the maximum possible return on investments and current expenditures in the interest of improving man's well-being, play a special role.

The dogmatism of planning-command and ideologized views has been repeatedly subjected to criticism on the part of progressive economic scientists. However, during the period of rule of totalitarianism no one listened seriously to their voice. They were deprived of sources of reliable statistical and report information. Moreover, at one time many of them were declared enemies of the people and repressed. Extensive opportunities for making a fundamental analysis of socioeconomic processes that occurred in all their contradictory manifestations, for clarifying in-depth causes of existing negative tendencies, and for developing constructive models with a choice of optimum variants for overcoming present stagnation and crisis have opened up before economists only now.

At present for the Ukraine's economy there is no more important a task than a search for and realization of scientifically substantiated solutions for getting it out of the difficult situation and for reviving the economy and the market. For this it is necessary to make a transition to a fundamentally new system and structure of relations and to a qualitative renewal of existing and creation of more efficient, new economic structures with highly intensive resource-saving technologies of the low-waste and, ideally, completely waste-free type.

Accelerating the circulation process and ensuring efficient horizontal and vertical interrelations, a reliable economic regulation and interest, and an equivalence of intersectorial, interregional, and foreign economic commodity exchange are important prerequisites for renewal and the transition to a new quality. It is clear that to build—by means of decrees and commands alone—a full-blooded market economy with all its complex attributes on deformed currency-financial and credit systems, on an obsolete price mechanism, on the ruble that is being devalued, and on the lack of necessary commodity resources under conditions of the rapidly growing effective demand is a hopeless endeavor. First of all, it is necessary to carry out radical reform of the entire economic mechanism (prices, finances, credit, and the tax system) and to "release" the heretofore firmly restricted opportunities for economic stimulation and interest, without which in the history of crises no one could get out of them.

It must be admitted that, along with the negative layers of the past, which now also restrain the rates of economic development, in the course of perestroika the state has made a number of serious errors and miscalculations in reform implementation. For example, the rash and inconsistent antialcohol campaign not only has deformed budget profits, but has also given an impetus to home distilling and to the shortage of sugar and sweets, which did not exist in the Ukraine previously. Under the slogan of "freedom of entrepreneurship" for cooperative workers and private individuals, but without the inclusion of appropriate regulating levers, scope has been given to rampant speculation, which has aggravated the commodity shortage and the emission of paper money even more. Recently, the Union Government, in an attempt to eliminate the financial and market catastrophe, has begun to urgently adopt extraordinary measures, which have boiled down primarily to freezing stimulating factors as a means of fighting against the outstripping growth of the purchasing power and inflation (despite the fact that the supply of goods and services is declining). The Union republics also adopt these, essentially, naive measures, which has led only to a deterioration in the economic situation. The market has become even more deformed, causing an intensification of social tension.

In connection with the aggravation of the political situation and confrontation among various groupings and forces and the outbreak of armed clashes and blockades now in one and now in another region of the country labor organization and discipline in production, transport, and the system of material and technical supply and trade have deteriorated and cooperated and integrated ties have been disrupted. Owing to rallies and strikes, the quantity of goods not only does not increase, but even decreases. However, the mass of money in circulation and in reserves increases (despite the adopted, but obviously inefficient, measures) at threatening rates, causing an intensification of the imbalance. Under these conditions the Union Government submitted a program for the transition to a regulated market economy to the USSR Supreme Soviet (May 1990), which produced the next wave of trade instability. Legislative acts alone cannot strengthen the currency-financial system, stabilize the rate of the ruble, make it convertible, and fill empty store shelves with goods. All soberly thinking people understand this well. Even they are beginning to manifest distrust of government measures for economic stabilization.

Nor can we take into account the fact that a number of disasters and accidents accompanied by human victims and great material damage occurred in the national economy during the past five-year plan. They include, first of all, the Chernobyl tragedy—explosion of the fourth AES [nuclear electric power station] block—the elimination of the consequences of which has required and will continue to require vast expenditures of financial and material resources with presently unforeseen long-term effects on people's health and the condition of

the environment. Earthquakes in Armenia and Central Asia, explosions in pipelines and mines, and transport accidents—all this places a heavy burden on the state budgets of the Union and republics and increases their deficits. Under the pressure of the public, which fights for ecological safety, many expensive installations and construction projects, including AES and chemical, defense, and other projects under construction or already in operation, have been mothballed or shut down. The Ukraine, as a region with a high saturation with industrial-power and chemical complexes especially suffers both ecologically and economically from such a legacy of the past. A change in the situation will now require vast funds and resources, which could have been invested in improving the people's lives.

In the republic there are also obvious disproportions in the system of current wholesale, purchase, and state retail prices, not to mention the recording of the ratio of market supply and demand. This deforms not only the market, but also the profitability of sectors, artificially transforming some of them into insufficiently profitable and unprofitable ones. Price equivalence and proportions of the intersectorial and interrepublic commodity exchange are violated. The coal industry, a significant part of the metallurgical industry, and sectors for the production of building materials and agricultural products are in an especially difficult situation. While the average level of cost-accounting recovery concerning the fixed and circulating capital of industrial enterprises is 15 percent, in the fuel and power complex, owing to low wholesale prices, this indicator makes up only eight percent, in electric power engineering, 6.8 percent, and in the chemical and petrochemical industry (the most profitable in all highly developed countries throughout the world), 11.4 percent. Meanwhile, light industry ensures a recovery of 42.6 percent, timber, woodworking, and pulp-paper industries, 29.4 percent, and the food industry, 17.1 percent.⁴

In order to create more or less equal economic conditions and opportunities for the functioning of sectors and enterprises on full cost accounting, that is, on self-recovery and self-financing principles, for the transfer of farms to contract and leasing relations, and for handing them over directly to labor collectives for

possession, the government still has to resort to the redistribution of financial resources through the state budget, thereby leveling not only the consequences of price distortions, but also the results of well and poorly operating collectives, which does not have economically justified foundations. Such a leveling system cancels the effect of economic incentives both for those that operate better, because so-called "profit remainders" are extracted from them into the budget, and for those that constantly receive subsidies from the budget, because such owners have become accustomed to the fact that the state will always help them and not let them be ruined. Finally, precisely this has prompted an evaluation of the activity of economic systems according to the criterion of final results and the degree of profitability. In accordance with state legislation, after the payment of taxes and insurance contributions, the remaining part of the profit is spent by the labor collective—the owner—which itself determines how much is needed for accumulation and how much, for additional incentives and social and spiritual development. This is a significant step forward toward economic independence and responsibility of enterprise collectives and toward their getting out from under the guardianship of the administrative bureaucracy. The choice of economic solutions, of sales and purchase markets, and of cooperative ties and income distribution to an ever greater extent become the prerogative of the owners themselves, although the rigid distribution functions of the systems of the Gosplan, the Ministry of Finance, and Gossnab continue to operate.

An analysis of the Ukraine's economic development during the past quarter of a century throughout five-year plans indicates that the rates of increase in the gross product, national income, and fixed productive capital have had a general tendency toward a reduction with rising rates of increase in profit, investments, and commissioning of fixed capital during the last two periods, as compared with the 1976-1980 level (see Table). The factor of the rise in prices and movement of expenditures has had a big effect on these contradictory tendencies. The fixed capital commissioned during the last 4 years has gone up in price, while investments have risen. With smaller physical increments the rate of monetary increase in capital has risen sharply, reflecting the process of inflation. The rate of change in real per-capita income (even with due regard for the deepening inflation) has a stable tendency toward a reduction.

Average Annual Rates of Change in Basic Macroeconomic Indicators of Development of the Ukrainian SSR*

Indicators	Years				
	1966-1970	1971-1975	1976-1980	1981-1985	1986-1989
Gross national product	6.7	5.6	3.4	3.3	2.6
Produced national income	6.7	4.6	3.4	3.4	3.0
Fixed productive capital of the national economy	6.9	8.0	6.4	5.3	3.5
Industrial output	8.5	7.2	3.9	3.5	4.2
Agricultural output	2.5	3.0	1.6	0.5	2.0

Average Annual Rates of Change in Basic Macroeconomic Indicators of Development of the Ukrainian SSR*
(Continued)

Indicators	Years				
	1966-1970	1971-1975	1976-1980	1981-1985	1986-1989
Commissioning of fixed capital	8.0	5.7	1.9	2.7	4.1
Capital investments	6.7	6.4	2.1	3.1	5.3
Profit in the national economy		8.9	1.0	5.3	10.9
Real per-capita income	5.9	3.8	3.2	2.7	2.0

*See: "Narodne hospodarstvo Ukrayins'koyi RSR u 1988 rotsi" [Ukrainian SSR National Economy in 1988], p 5; "Narodne hospodarstvo Ukrayins'koyi RSR u 1980 rotsi" [Ukrainian SSR National Economy in 1980], Statistical Yearbook, Kiev, Tekhnika, 1981, pp 22-23; "URSR v tsifrakh u 1989 rotsi" [Ukrainian SSR in Figures in 1989], Brief Statistical Handbook, Kiev, Tekhnika, 1990, p 9.

The presented indicators realistically reflect existing tendencies. With regard to absolute indicators they need clarifications. We would like to add that the task of recalculating value indicators throughout the country and republics has now been set. The first steps in this direction have already been taken. Value indicators of the gross national product and national income for 1985 and 1986-1989 have been corrected, as a result of which they now reflect much more accurately the changes in absolute values.

With economic growth rates of almost seven percent (1966-1970), as of 1971, when the potential of the one-sided and brief economic reform of 1965 began to be exhausted, rates of growth began to slow down gradually, declining to 2.5 or three percent (1986-1989). Negative tendencies—stagnant phenomena and disproportions—began to be manifested in the republic's economy. Command methods no longer worked and the renewal of the production potential and economic structures slowed down. The short-term rise in world prices of petroleum led to an increase in the receipts of hard currency in the Soviet economy, including in the Ukraine. This weakened negative tendencies to a certain extent. However, negative phenomena still accumulated, worsening the republic's economic and social situation. The pressure on the economy from a big share of insufficiently profitable and unprofitable extractive sectors—the coal and iron ore industry, as well as ferrous metallurgy, which was rapidly becoming obsolete—was felt ever more acutely. Investments were centrally allocated primarily for ensuring rapid rates of development of atomic power engineering, for the construction of low-efficiency water resources projects, and for the renovation of industrial defense complexes. Owing to the low rates of modernization and reconstruction of existing production facilities, fixed capital became rapidly obsolete. The share of sectors turning out products directly for meeting the population's consumer demand decreased.

The report by the republic's government to the UkSSR Supreme Soviet noted that from 1970 through 1988 the proportion of light industry decreased from 13 to 11 percent and the share of processing sectors of the agro-industrial complex, from 23 to 17.5 percent.⁵ There was also a decrease in the share of output of the woodworking

industry, as well as of the construction materials industry, that is, precisely the spheres that, meeting the population's primary vital needs, make the biggest contribution to the national income, state budget, and accumulation for expanded reproduction.

All this has occurred under unjustified pressure from Union ministries and departments, which until recently have managed almost the republic's entire industry. As the same report to the government notes, two years ago only six or seven percent of the industrial potential was directly subordinate to the UkSSR Council of Ministers, but now this share has increased to 40 percent. However, even now all basic economic sectors continue to remain in the hands of the center.⁶ Therefore, existing "sovereignty" is outside economic power and outside property relations, that is, it remains fictitious. In fact, primarily deputies of the Ukrainian SSR Parliament come out against this. Scientists at the Institute of Economics of the UkSSR Academy of Sciences together with the Institute of State and Law of the UkSSR Academy of Sciences have worked out a version of the scientific concept and drafts of legislative acts for the establishment of the Ukraine's state sovereignty and its self-management and economic independence in all the spheres of socioeconomic and spiritual activity. The republic's Supreme Soviet adopted the Declaration on the Ukraine's State Sovereignty and the Law on the Economic Independence of the Ukrainian SSR. Packages of legislative acts on property, land, taxation, leasing, entrepreneurship, enterprises, joint-stock companies, banks, the financial and credit system, price formation, foreign economic activity, and a number of other laws, which will regulate the market economy, are being drafted.

It is very important to ensure the parity of the Ukraine's participation in the all-Union treaty, observing the balance of economic interests of all nations forming part of the Union Federation. In my opinion, however, the development on a strictly scientific foundation of the new Ukrainian SSR Constitution is the chief thing in the system of present legislation of the republic's parliament. Its political temporization and periodic radical revisions in connection with the arrival of the next leader or change of the parliamentary body or the system of state

or economic order are not admissible. Precisely all this should proceed regularly on a strictly legal constitutional basis, not conversely, so that each time the Constitution is not adjusted to the subjective views of certain political forces and leaders, as was the case in our country in the past. The Constitution is intended to ensure real state sovereignty and a truly democratic social system, to guarantee all human rights, and to stabilize society's political and economic system on a fundamentally new basis of *perestroika*.

To every unprejudiced person it is obvious that it is impossible to form a highly efficient market economy for the Ukraine without strategies and tactics of economic development qualitatively different from those presently in effect. The republic's state sovereignty presupposes a simultaneous introduction of a system of internal self-management and of economic independence and responsibility from top to bottom on the part of all state and economic structures for final results, processes of renewal, and the development of production and social infrastructures. It is envisaged changing over from an administrative—a kind of "pleading-distributive"—system of distribution of scarce resources on the basis of subjective considerations to a system founded on an entrepreneurial-creative activity, to a viable system of efficient management, to healthy economic initiative and competition, and to producers' fight on the market for consumers with efficient state support and a flexible economic regulation of the functioning system in accordance with objective patterns and, first of all, with the operation of the laws of value and conformity to plans.

Reflecting on the economic independence of the Ukraine, as well as of other Union republics, we cannot fail to ignore such an important problem as the law-governed nature of the territorial division of labor and specialization with an inevitable economic integration, which, incidentally, encompasses increasingly more regions throughout the world. For thousands of years nations, regardless of their racial or national affiliation, have striven for mutually advantageous trade and other forms of economic ties and continue to do so. All the more so now each of our republics and their people are vitally interested in a mutually advantageous parity commodity exchange and in the establishment of joint economic projects and unified systems of power supply, transport, communication, and so forth. In many present insufficiently thought-out programs and plans for getting the economy out of the crisis various (especially, nationalist) political and public movements and even official state and local self-management bodies put forward only the most general, sometimes completely abstract, interpretations of sovereignty and demands for the Ukraine's immediate secession from the All-Union Federation, which are based on emotions. At the same time, historically formed interrepublic and interethnic relations and mutual ties, as well as the degree of concentration in the distribution of productive forces, are not taken into consideration. I am deeply convinced that to build a Chinese wall among the republics and their nations and,

all the more, to inflame hostility among them is unreasonable, to say the least, and, if to call things by their names, is a crime against all the peoples of our country and all mankind. The destruction of traditional economic and spiritual ties is disastrous for the multinational society.

Suffice it to mention that the territory of five Union republics does not have its own oil and gas at all. More than 91 percent of the petroleum production is concentrated in the RSFSR. About 77 percent of the natural gas is also concentrated here. Coal is not extracted in eight republics, iron ore is not extracted and cast iron is not produced in 11 republics, and steel, in six republics.⁷ Other extractive and processing complexes and machine building, light, and food industry sectors are also distributed unevenly. I would also like to draw special attention to the areas where gold, diamonds, and other rare-earth metals, which play a vast role in the state's economic and currency-financial potentials, are mined. Without a solid gold reserve under conditions of the acute commodity shortage and noncompetitiveness of many types of products it is difficult to count on the convertibility of the monetary unit. Quite unique zones of narrowly specialized production of many types of agricultural raw materials have also been formed. For example, only Central Asian republics and Azerbaijan produce cotton. Uzbekistan, Tajikistan, and Turkmenistan grow all the 100 percent of fine-fiber cotton needed by all republics without exception. In practice, only four Union republics (Russia, the Ukraine, Belorussia, and Lithuania) produce flax fiber. Georgia provides for almost 100 percent of the state purchases of citrus fruit and produces 92 percent of the tea leaves, while Russia and the Ukraine, the same share (92 percent) of sugar beets. A total of 91.7 percent of the commercial timber is exported from the RSFSR. A total of 82.1 percent of the sawn timber and 84 percent of the paper are produced here.⁸ All this is determined objectively and this objectivity cannot be ignored. In present-day developed society there can be no routine unification of economic structures with a closed economy and a closed market, with so-called self-sufficiency. This confirms the firm opinion that in the existing situation disintegration would not bring economic benefit to any republic. They should develop independently in an efficient direction on the basis of specific conditions and resource capabilities, become independent states and equal and stable trade partners, exchange the results of their labor on the basis of mutual benefit and equivalence, and not permit distortions and unsubstantiated transfers of income from one republic to another.

The coordination of interrepublic economic interrelations is objectively necessary from the center's point of view. At the same time, the system of economic centralization formed in the country has exhausted itself and on a number of key positions has reached an impasse. Whereas, for example, in 1970 a total of 53.3 percent of the used national income was redistributed through the Union budget, in 1988, a total of 74.4 percent.⁹ The

volume of the state budget exceeds the accumulation fund threefold, thereby giving rise to a distinctive phenomenon of statewide dependence. Disproportions in production and consumption ratios and the transfer of the economic turnover of resources to an uncompensated and nonequivalent basis reflect the obvious fallaciousness of supercentralization. A mechanism of management fundamentally undermining economic incentives and responsibility for the results of economic activity has been formed. That is precisely why the idea of self-management and independence of actions by true masters of production has been put forward as one of the basic ideas in the economic theory and practice of regulation of economic relations at all the levels of hierarchy of economic management.

However, in itself the process of formation and strengthening of economic independence is not yet determined, as some people assume, by legal acts and political declarations alone. There is a need for a consistent and radical restructuring of the mechanism of economic interregional ties, implementation of cardinal measures for their optimization, and transformation of the structures of national economic complexes of the Union republics.

The problem of criteria for an accurate evaluation by every republic of the production of the gross national product and of the creation and use of national income (net material product) and net output of material production enterprises rests on the reliability of the quantitative evaluation concerning the proportions of their movement, on the one hand, along the vertical line—between republics and the center—and, on the other, along the horizontal line—among republics with a commodity exchange and cooperated and integrated ties. Price distortions, which violate the equivalence of exchange, seriously hamper both the recording and calculations of transfers of masses of commodities and money. Furthermore, places of production and sale of many types of raw materials and finished goods are far from stable and the diversity of levels of contract prices complicates the clarification of the true picture even more.

Proceeds from foreign trade operations were primarily centralized and in the middle of the 1980's comprised about 10 percent of the country's national income and eight to 12 percent of the republics' national income. Since this is not a direct recording of the sale and proceeds concerning every commodity and specific place of operation, the degree of reliability of the presented average data is not very high. However, state statistics increases by this percent the net output of material production enterprises and consumption and accumulation funds of the Union republics.

To be sure, the volumes and structure of the import and export of products and their proportion in the national product are also of key importance. The Ukraine has an annual import-export turnover at the level of 96.8 billion rubles (1988), which makes up approximately one-third

of the gross national product.¹⁰ In Belorussia in the same year the share of export reached 27 and of import, 26 percent of the republic's production and consumption, in Lithuania, 24 and 27 percent respectively, in Kazakhstan, 12 and 20 percent, and in Moldova (Moldavia), 28 and 27 percent.¹¹ The Ukraine, with its present economy, which is far from perfect in many respects, meets 82 percent of its internal needs from its own output, the RSFSR, 86 percent, and the Baltic republics, 71 to 73 percent.¹²

Calculations based on official statistical materials have established that, according to the levels and ratios of internal and foreign trade exchanges and prices, the Ukraine (according to 1988 data) is a republic with the predominance of import (49.86 billion rubles) over export (46.94 billion rubles), that is, with a balance of 2.92 billion rubles. However, if only the exchange inside the country is taken into account, the volume of export totals 40.06 billion rubles and of import, 36.43 billion rubles.¹³ In other words, in order to ensure the balance, the republic should have additionally obtained products worth 3.6 billion rubles. The cited value indicators reflect artificially understated prices of metal and of fuel-raw material and agricultural resources, as well as other price distortions. They should neither be diminished, nor exaggerated, as is now sometimes done in publications of the moment, which pursue specific political goals.

Ferrous metallurgical products, iron ore, coke, electric power, and a number of food industry products predominate in the commodity structure of export. First of all, petroleum, gas, timber, and light industry goods are imported. With almost the same import and export of machine building and petrochemical products they little affect the economic resources and well-being of the population in the republic, because a significant part of this exchange is connected with defense and foreign trade operations of Union bodies. The RSFSR, the UkrSSR, and the BSSR account for the main burden of military expenditures. According to Soviet sources, in 1989 in the country's gross national product expenditures on defense totaled 8.8 percent,¹⁴ whereas according to American sources, in 1980 and 1985 (in dollars), 13 and 12.5 percent respectively¹⁵. Hence the conclusion suggests itself that without thorough conversion of the military industry it is difficult to ensure economic independence for these three republics. However, in case of an extensive conversion the Ukraine will be able to rapidly increase the output of modern science-intensive products, especially in the area of radio electronics and shipbuilding, as well as the development of technological systems for food and light industries.

The aggravation of the shortage of fuel and power resources constitutes a special complication for the future development of the Ukrainian SSR economy. We would like to note that during the 1970-1988 period petroleum production (including gas condensate) in the republic was reduced from 13.9 million to 5.4 million tons (or by 61 percent), of gas, from 60.9 billion to 32.4 billion cubic meters (or by 47 percent), of coal, from 207.1 million to 191.7 million tons (or by 7.4 percent), and of fuel peat, from 4.1 million to 2 million tons (or by

51.2 percent). Instead of this, the production of electric power increased from 137.6 billion to 297.2 billion kWhr (or 2.16-fold),¹⁶ which to a certain extent compensated for the reduction in the extraction of fuel resources. At the same time, the simultaneous increase in power-intensive production facilities and rapid development of the petrochemical industry and the motor pool require a sharp increase in the deliveries of petroleum and gas to the republic. In 1988 a total of 127 million tons of petroleum and petroleum products were delivered by pipeline transport alone, which was 5.5-fold more as compared with 1970.¹⁷

The policy of energy saving through a reduction in energy-intensive production facilities and the introduction of energy-saving technologies makes it possible to reduce the needs for energy resources. However, this process occurs gradually in accordance with structural shifts. The Ukraine constantly feels the shortage of all types of liquid fuel and lubricants. The reorientation of the republic's energy program from nuclear to thermal power engineering with gas steam-turbine blocks ensuring high efficiency will require additional gas production and the construction of a new gas pipeline with investments of billions [of rubles]. The rise in the cost of petroleum, gas, and timber greatly complicates the Ukraine's economic situation and makes a corresponding rise in the cost of products exported from the republic inevitable.

A fundamental restructuring of foreign economic activity is also an important condition for economic independence. The point is that the Ukrainian SSR export volume is still meager. In 1988 it totaled only 6.9 billion rubles.¹⁸ Metallurgy has the biggest proportion in its structure—27.8 percent. Machine building and metalworking account for 22.1 percent, the coal industry, 10.1 percent, and chemistry and petrochemistry, 9.2 percent.¹⁹ The volume of export of machine building products remains very small: In 1988 the Ukraine exported them in the amount of only 2.4 billion foreign currency rubles, whereas the USSR as a whole, 17.8 billion dollars. At the same time, the volume of export of products produced by the machine building industry in Japan totaled 184 billion dollars; FRG, 155 billion dollars respectively; the United States, 135 billion dollars; Canada, 42.4 billion dollars; CSFR, 15.7 billion dollars.²⁰ It is clear that without the republic's inclusion in extensive world economic relations and in an exchange of science-intensive products and modern technologies no declarations will ensure its effective economic independence. The solution of this problem requires, in addition to other prerequisites, the same restructuring of the entire national economy, primarily of industry.

A separate bloc of problems of economic independence is connected with the regulation of processes concerning the creation and final use of national income. At present some republics use on their territory more national income than they produce. At the same time, a substantial share of the national income produced in the

RSFSR, in the Ukraine, and in Belorussia is redistributed beyond their boundaries—for investments of other regions and for statewide needs. Hence the uneven movement of financial flows, which by no means always corresponds to the real labor contributions of various republics, intensifying social and interethnic tension.

The Ukraine, in particular, feels an acute shortage of resources for expanded reproduction in basic economic sectors, in light and food industries, and in the agrarian sector. Meanwhile, according to our calculations, the share of accumulation of fixed productive capital during the 1970-1987 period is declining. The general decline in this indicator reaches 7.66 points and in the produced national income, 2.1 points. Whereas in 1970 the accumulation of fixed productive capital in the republic comprised 17.75 percent of the all-Union level, in 1980, only 11.64 percent, in 1985, a total of 9.32 percent, and in 1987, a total of 10.09 percent. As a consequence, the Ukraine's per-capita national income also began to decline relatively—from 95 percent of the all-Union level in 1970 to 91.2 percent in 1987.

The system of normal economic relations among republics is intended to ensure for each of them—from their own sources of investments and current expenditures—the reproduction of a qualitatively new economic structure oriented toward the saturation of the commodity market and toward man's social and spiritual needs. This is one of the decisive conditions for their economic independence, which in itself presupposes a radical restructuring not only of the system of relations and forms and methods of management, but also of the entire economic environment and of the operation of regulating management levers. It is especially important to fundamentally change the procedure and proportions of formation and expenditure of budget resources, sharply increasing in them the share of republic and local budgets and their role in optimizing accumulation and consumption funds and in ensuring financial support for priority directions in development. For the economy of the Ukraine, which has a high degree of wear and obsolescence of productive capital and technologies, the tendency toward a further drop in the accumulation norm should be overcome, otherwise no renewal of its production potential and economic and market structure will occur. According to the calculations of the Institute of Economics of the UkrSSR Academy of Sciences, in the very near future the accumulation level of the active part of fixed productive capital, as a minimum, should be doubled in order to renew obsolete capital by no less than 85 billion rubles.

On the path of implementation of radical economic reform the burden of historical layers of the past and distorted stereotypes of totalitarian thinking, on the one hand, and errors made in the course of restructuring, which also complicate the socioeconomic situation, on the other, lies on the Ukraine. After all, the Ukrainian people, like the country's other nations, connect the improvement in their lives and material well-being and their cultural advance directly and indirectly with

reform. If, however, reform is proclaimed in words and the parliament and the government adopt various legal acts and programs, but inflation and market shortages intensify, normed supply is introduced, and the population's living standard declines, this produces its negative reaction and distrust of the adopted decisions. People no longer want to wait endlessly for the "bright future."

That is precisely why, in my opinion, now the chief thing is not even to draft ever newer laws and state programs (although they are also necessary), but to accurately determine the key links of economic reform and to carry out effective measures for their immediate practical realization in order to stabilize the economic situation in the republic, to intensify economic development and structural reorientation, and to balance market supply and demand.

The acquisition of state sovereignty and political and spiritual flourishing will give a high economic effect if, at the same time, there is a splash of economic activity and strengthening of discipline, order, and man's responsibility in production activity and in ensuring highly intensive management of all economic forms for the purpose of saturating the market demand. Freedom of democratic choice, independence of economic actions, cost-accounting interest on the part of labor collectives, and their competition on the market for meeting consumer demand will lead to a revival and advance of the republic's economy on a healthy basis.

The development of a mixed economy based on various forms of property and economy and on a system of large, medium-size, and small enterprises and corporate associations (including joint ventures with foreign capital) and of joint-stock, cooperative, leasing, contractual, and other relations with extensive mutual ties on internal and foreign markets is not possible without the stabilization of the currency and financial system and of the rate of the monetary unit and without its subsequent transformation into convertible currency.

In our opinion, for success in the development of a market economy the state must take a number of immediate steps.

First, it is necessary to urgently begin currency and financial normalization through the introduction of the strictest control over the emission of paper money and acceleration of its rate of turnover and by means of economic regulators and legal acts to block the channels for monetary and material accumulation by illegal elements. Today they are becoming a big economic force, which not only disorganizes the currency and financial system and the market, but also financially supports destructive circles. It is necessary to take effective steps aimed at reducing and, subsequently, fully eliminating the budget deficit and inflation. Paradoxical as it may seem, this can and should be done not at all through the policy of a destructive cancellation of incentive factors (here we have in mind the unsuccessful extraordinary measures of the Union Government), but, conversely,

through the maximum possible development of incentives for economic growth owing to the activation of price, interest, tax, and budget policy. A regulated market cannot function efficiently on an artificially frozen and deformed system of current state prices, on the state of which mass information media have imposed a distinctive taboo and the changes in which have been presented as a social catastrophe. Sooner or later (the earlier, the better!) the government will be forced to decide and society will have to agree to the implementation of price and currency-financial reform in order to get out of the crisis situation.

Second, it is necessary to accurately determine strategic priorities in the Ukraine's economic development. Here there is a need for radical changes in the structure and forms of management both in industry and in its two subdivisions (groups of sectors A and B), as well as in the agrarian sector and in the development of integrated equivalent ties between agriculture and industry and between urban and rural areas. Structural and investment policy should be concentrated on support for the priority development of sectors and economic systems capable of rapidly eliminating the shortage of foodstuffs and nonfoodstuffs on the internal market with a sharp growth of gross and net income and accumulation and consumption funds for an immediate solution of aggravated social problems. First of all, industrial sectors of group B and the agro-industrial complex are such economic spheres. At this stage they should be given not a mythical, but real, priority in the entire national economic structure in order to solve the problem of eliminating the shortage of resources most necessary for man's life and to sharply raise the rates of growth of national income. An inflow of investments and resources precisely into this should be ensured primarily not at the expense of heavy industry sectors, but on their basis.

At the same time, it is necessary to structurally and qualitatively transform the industry of group A, realizing an extensive program for the conversion of defense enterprises. However, this is not yet sufficient. In order to overcome the commodity shortage, it will be necessary to establish, through the diversification of investments and current expenditures in large industrial associations and enterprises, within them modern specialized production facilities for the current output of high-quality industrial goods directly for the market, as well as raw materials, supplies, and accessories for the manufacture of these goods. According to the calculations of the Institute of Economics of the UkrSSR Academy of Sciences, from one-third to one-half of the fixed and circulating capital can be allocated for diversification without damaging basic production, which will ensure a significant acceleration of fixed and circulating capital, increase in the return, and rise in cost-accounting profitability and accumulations for an overall development and technological renewal of the entire structure of industrial complexes. Released labor resources, with their preliminary retraining, should also be assigned here. The opening of additional workplaces at new

enterprises within existing associations will also eliminate the problem of unemployment, which is approaching in connection with the transition to contract, leasing, and market relations. It has been estimated that for 1995 with a total 1.4-fold increase in the mass of commodities the sectorial structure of their production can be as follows: heavy industry, about 40 percent; the agro-industrial complex, more than 40 percent; light industry, 20 percent.

At the same time, the structure of sectors of group A should be reoriented toward modern science-intensive industries, the output of radioelectronics, automation and information-science equipment, computer and laser systems, qualitatively new materials for aerospace vehicles and ground and water transport, and the development and mass output of technologies for an increase in new organizational forms of the production of agricultural raw materials, for their modern and intensive industrial processing into finished consumer products, for the saturation of the food market with them, and for an increase in the output of light industry goods. An especially wide field of activity for the establishment of corporate associations with foreign capital opens here. A radical restructuring of extractive and processing industries, ferrous metallurgy, and machine building should occur on a fundamentally new scientific and technical basis. All unprofitable and insufficiently profitable enterprises should be transformed either into profitable ones through technological and organizational modernization, or be closed. The development and introduction of resource-saving technologies with a closed (low-waste or, better, completely waste-free) cycle, which would ensure a fundamental solution of the problem of habitat protection, are necessary in all industrial spheres. And this is the main direction in getting our republic out of the ecological crisis.

Thus, a radical restructuring of the Ukraine's economy and its transfer to market relations require a fundamental change in the entire structure and proportions of the national economic balance at a macroeconomic level with simultaneous qualitative and structural changes in economic systems at a microeconomic level. In turn, an expansion of market relations both within the country among republics and of international relations with other countries throughout the world will make substantial corrections in the formation of a balance of the internal market and the structure of a market economy. If it is revealed that the internal production of specific goods costs more than their import in exchange for the export of internal cheaper, high-quality goods, ultimately, inefficient production will fail, even despite the system of state protection for internal entrepreneurship.

The Ukraine's inclusion in wide world economic market relations will inevitably also affect the structure of its own economy, spurring it on toward a rise in efficiency. After all, it is precisely the difference in the economic structure that largely explains the difference in the effectiveness of investments, as well as in the production

of consumer goods, net product, and per-capita national income as compared with industrially developed countries.

According to our calculations, in the new structural policy the ratios of investments in production and non-production projects should also be changed. Today they are 71:29, but now it is necessary to have, as a minimum, 60:40. It is especially important to give priority to the immediate development of rural production and social infrastructures and to the construction of well-equipped individual peasant homes and their farm structures with the necessary retooling, without which there is no basis for seriously counting on a successful solution of the food problem, especially through farming.

Third, it is inadmissible to carry out an important component of economic reform—restructuring of property relations and management forms—forcibly, administratively, or by a dictate from above. This especially complex social process should occur on the basis of a deliberate democratic choice and actions by the workers themselves (managers, specialists, labor collectives, working people, and peasants) and their formation as true masters of their business (efficient management) and without political pressure from any parties, fronts, or movements. To follow the same path, on which at one time the presently existing economic system was built—thoughtlessly nationalizing everybody and everything, driving millions of peasants into kolkhozes, and then by decree turning them into state property—in the opposite direction, that is, through forced denationalization, privatization, total rejection of state property, and similar arch-revolutionary actions, would lead only to an immediate collapse of the economy and would be a gross error and mockery of our own people. No improvement in their lives can be attained in such a way. A destruction of the economy has never led as yet to an improvement in people's well-being. Conversely, it has thrown back their standard of living by dozens of years, requiring additional resources and time for restoring the economy to the previous level, from which it is only possible to advance. Rapid progress does not at all lie in the degradation of existing production, but in its gradual transformation into highly intensive and efficient production on the basis of a system of contract and leasing relations, specialization, cooperation, and qualitative technological renewal. At the same time, acquiring, in accordance with the law, economic self-dependence and independence and changing over to cost accounting, leasing, and the joint-stock form of management and functioning of the economy, workers receive the right to own and use the means of production, that is, become owners of state enterprises or associations. They bear full economic responsibility for the final results of their labor and for prompt settlements of accounts with the state and local treasury. The volumes, structure, and quality of produced goods, saturation of the market with them, prompt sale, which meets consumer demand, and the price level determine the profitability of both production and of each of its workers. Those who work better and

manage the economy more efficiently also have higher wages and better social living and everyday conditions. This, in fact, is the socialist principle of a regulated market economy.

However, it is not only a matter of transforming the existing production potential, which has become greatly obsolete in the Ukraine (more than 40 percent of the capital is worn out and obsolete technologies predominate), but also of the fact that there is simply a shortage of many capacities. It is necessary to increase them, that is, to establish new enterprises—especially, small and medium-size science-intensive production facilities and food and light industry enterprises. The number of the latter must be approximately doubled, concentrating them directly in rural localities, where raw materials are grown, and utilizing the cooperation of accumulation and investment funds and necessary material resources, which will make it possible to sharply increase profitability, to reduce expenditures, to better utilize the labor and capital potentials of rural areas, and to overcome heretofore existing negative tendencies toward an unsystematic migration of the rural population to cities.

The agrarian policy of the state directed toward the development of diverse economic forms, including private peasant and large farms, also presupposes freedom of the peasants' voluntary choice without forced pressure on them and without the dissolution of sovkhozes and kolkhozes, as some "hotheads" propose thoughtlessly. In general, it is inadmissible to curtail certain forms of existing production facilities, not transforming them into more efficient or not establishing qualitatively new ones. Especially as the problem of filling the increasing market capacity and eliminating the commodity shortage creates a vast scope for the selection of an active and profitable economic activity, including private and group (cooperative) entrepreneurship. The Ukraine has extremely limited per-capita land resources: It has only 0.81 hectares of agricultural land and 0.66 hectares of arable land per resident. Therefore, land should be used with maximum efficiency and its fertility should be increased steadily. If it is a matter of transferring land to certain owners for possession, the state in the person of soviets should be concerned about its preservation and high productivity in order to provide food for the present, as well as the future, generation. Here the owner's freedom of choice should be combined with his vocational training and ability to manage the economy effectively. Land can be leased out or sold only to citizens who will be able to ensure its higher productivity as compared with existing economic systems. Nor should the investment and technological capabilities of new owners and their support with credits of the agricultural bank or commercial banks and with material resources be forgotten. In other words, agrarian economic reform—as well as industrial reform or spheres of services, of spiritual culture, and of the entire system of public and social order—requires weighed consideration, high-level professionalism, accurate economic calculations, and seeing both near and remote consequences.

Only a strictly scientific approach to the implementation of economic reform, which rules out hasty and rash decisions and actions, as well as appeals at meetings, can bring quick success and give a new impetus to the scientific-technical and economic revolution in the interest of improving the lives of the Ukrainian people. Not at all through a return to the initial goals of the previous primitive system of management and bazaar trade, which the advocates of the past urge, but on the paths of modern world progress and its rise to higher, new stages of economic, organizational, and technological achievements, freedom of entrepreneurial and market activity, and strengthening and development of mutually profitable integration relations the Ukraine can and should be included among the most advanced and economically developed world countries.

Footnotes

1. See: "Narodne hospodarstvo Ukrayinskoj RSR u 1988 rotsi" [Ukrainian SSR National Economy in 1988], Statistical Yearbook, Kiev, Tekhnika, 1989, pp 4, 299, 314. "Narodnoye khozyaystvo SSR v 1988" [USSR National Economy in 1988], Statistical Yearbook, Moscow, Finansy i statistika, 1989, pp 19, 262, 330, 426.
2. See: "Narodnoye khozyaystvo SSSR v 1988," pp 340-342.
3. See: "Narodne hospodarstvo Ukrayinskoj RSR u 1988 rotsi," p 237.
4. See: "Narodne hospodarstvo Ukrayinskoj RSR u 1988 rotsi," p 413.
5. See: "On the Political, Socioeconomic, and Ecological Situation of the Ukraine," report by Deputy V. A. Masol, Chairman of the UkSSR Council of Ministers, RADYANSKA UKRAYINA, 27 May 1990.
6. See: *Ibid.*
7. See: "Narodnoye khozyaystvo SSSR v 1988," pp 340-342, 455-458, 472.
8. See: *Ibid.*
9. See: "Narodnoye khozyaystvo SSSR v 1982" [USSR National Economy in 1982], Statistical Yearbook, Moscow, Finansy i statistika, 1983, pp 378, 522; "Narodnoye khozyaystvo SSSR v 1988," pp 12, 624.
10. See: I. Ivanchenko, "Who Feeds Whom," *PRAVDA UKRAINY*, 15 April 1990.
11. See: "Mutual Economic Relations of Republics in the National Economic Complex," *VESTNIK STATISTIKI*, No 3, 1990, p 36.
12. See: *Ibid.*
13. See: "Volume of Import and Export of Products Throughout the Union Republics in 1988 in Internal and World Prices," *VESTNIK STATISTIKI*, No 4, 1990, pp 49-54.

14. See: N. I. Ryzhkov, "O programme predstoyashchey deyatelnosti pravitelstva SSSR" [On the Program of the Forthcoming Activity of the USSR Government], Moscow, Politizdat, 1989, pp 33, 35; "SSSR v Tsifrakh v 1989 godu" [USSR in Figures in 1989], Brief Statistical Collection, Moscow, Finansy i statistika, 1990, p 5.

15. See: "Statistical Abstract of the United States, 1989," Washington, D. C., 1989, p 843.

16. See: "Narodne hospodarstvo Ukrayinskoj RSR u 1988 rotsi," pp 266-267.

17. See: *Ibid.*

18. See: "Mutual Economic Relations of Republics in the National Economic Complex," p 40.

19. See: *Ibid.*

20. See: "SSSR i zarubezhnyye strany v 1988" [USSR and Foreign Countries in 1988], Statistical Collection, Moscow, Finansy i statistika, 1990, p 268.

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Transcarpathian Region To Become Joint Enterprise Zone

914A0227A Kiev MOLOD UKRAYINY in Ukrainian
> Dec 90 p 2

[Interview with deputy chairman of the executive committee of the Transcarpathian oblast council of people's deputies, Serhiy Ivanovich Ustych, by Alla Lazarieva, MOLOD UKRAYINY special correspondent, in Uzhgorod: "Joint Enterprise Zone. Closer to the Market in This Way?"]

[Text] On the day of my arrival in Uzhgorod, the oblast council of people's deputies had approved in principle the project for establishing a joint enterprise zone in Transcarpathia. Telling us about the content of this plan is its author, Doctor of Philosophy, assistant professor, deputy chairman of the executive committee of the Transcarpathian oblast council of people's deputies, Serhiy Ivanovich Ustych.

[MOLOD UKRAYINY] Serhiy Ivanovich, for the past three years, the Union press has been talking about the idea of free economic zones. Why has Transcarpathia stopped at a more cautious definition—a joint enterprise zone? Is this strictly for economic reasons?

[Ustych] International practice recognizes three types of joint enterprise zones: customs, specialized (scientific-industrial, agro-industrial, touristic-recreational), and free economic zones. The present economic, resource and social potential of the oblast allows us to consider establishing a customs and specialized zone in Transcarpathia. When there will be a market, real economic sovereignty in the Ukraine and a freely-convertible national unit of currency, the customs and specialized

zone is to be transformed into a more advanced form of joint enterprise zone—the free economic zone of Transcarpathia. So we are talking about a territorial-economic creation within the framework of a sovereign Ukrainian state, having incentive economic, legal, customs, currency and financial regimes. Our joint enterprise zone is to consist of four sectors: customs, scientific-industrial, agro-industrial and recreational-touristic.

[MOLOD UKRAYINY] Looking through the local press, I noticed that there are discussions about the geographic parameters of the zone, as well as political aspects. The Association of Hungarian Culture of Transcarpathia favors the idea that the free economic zone be established only on the territory of the three Hungarian rayons—the Beregovo, Mukhachev and part of the Uzhgorod rayon. The Association of Carpathian Rusyns proposes first of all to revive the autonomy of the oblast.

[Ustych] First of all, and this is mentioned in the draft "Position Regarding a Joint Enterprise Zone in Transcarpathia," we are not pursuing any political aim. We want above all to solve the many social problems of the territory and also to assist the speedy integration of a sovereign Ukraine into European economic structures.

Second, with all due respect to our opponents and their right to have their own opinions, we believe that the most constructive idea at present is that of consolidating various political forces. The members of all parties suffer equally from economic problems. And we can and should fulfill the function of a kind of enclave which would attract technologies, information, financial sources into the Ukraine. Practice shows that to implement market relations on such a big territory all at once is impossible. Our unique geographic location and historical particularities give us this opportunity.

[MOLOD UKRAYINY] I have heard that every third inhabitant of the oblast goes abroad once per year. . .

[Ustych] That may be, but here is another important fact: the population of Transcarpathia is 1,250,000 people, but last year alone, 11 million people passed in transit through the oblast. If everyone buys only one bottle of mineral water, this means already that there will be a problem with water. If we consider that everyone travels with some business intentions, you can imagine what effect this has on the consumer market.

Transcarpathia borders on four countries: Hungary, Romania, Czechoslovakia and Poland. It is a kind of contact zone that links Eastern, Central and Western Europe by railroad, car and pipeline transport as well as electric transmission lines. Sixty percent of all train cars leaving or entering the USSR go through the territory of the oblast. But all of this causes problems. People who are directly involved in external economic activity—for example, those who spend all day unloading Finnish sausage—are obliged after work to stand in line for several hours in order to get the lowest-quality sausage.

And empty stores are not as great a problem as extensive ecological damage. The present situation is horrific in Chop; in Batevo, in connection with the transshipment of fertilizers, sewage is dumped into the Tisa River, and not only we, but our Hungarian neighbors also suffer. But we are practically helpless in the face of departmental management.

[MOLOD UKRAYINY] Do you think that complete local self-management can save the situation?

[Ustych] Yes, because it will be possible to exert economic influence on such enterprises as, let us say, "Lisokhimkombinat." Either to close them down as harmful industries, or to demand by ultimatum that they reconstruct. What is most important is that the first demand to every new enterprise will be to meet ecological criteria.

In addition, we need to apply preventative measures with regard to large numbers of tourists. A law regarding leaving the USSR is being prepared, and this means an increase in the number of transit passengers to about 60-80 million per year. Naturally, we cannot and do not want to forbid the movement of people, but it would be just to have at least partial compensation for the ecological damage that this causes.

[MOLOD UKRAYINY] The Latvians have already passed a law about a kind of duty on tourists, who come to health resorts. . .

[Ustych] And here, as of January 1 of next year, we plan to introduce in the oblast a local collection of charges for the entry of Soviet citizens who are not inhabitants of the oblast, as well as of foreigners. This will be a kind of ecological fee.

[MOLOD UKRAYINY] This would certainly be fair, because Transcarpathia is a major curative center. . .

[Ustych] Yes, on the recreational level, Transcarpathia is rated very highly, even by international standards. But again—out of 400 curative mineral springs, only 30 are being used; the rest of the water is wasted. Additional capital investments are needed in this area, and they will bring large profits. But we get hardly any centralized supply to curative institutions; although the sanatoriums and health resorts are subject to Union authority, the oblast is obliged to support them with regard to food supply. This summer, some West Germans were staying in the "Karpaty" sanatorium, paying hard currency. All of it went to Moscow. And so it will be until the economic environment changes. Our "Intourist" branch, for example, always took the first prizes within its sector of activity; it has direct links with 80 foreign firms. But none of this has any effect on the economy of the oblast.

[MOLOD UKRAYINY] But the western customer will come to rest in Transcarpathia only if he will find there living conditions, service, recreation of an international standard. Otherwise, he will go somewhere like Karlovy Vary. Tourism specialists stress the fact that in its

requirements for capital investment, this sector is equivalent to metallurgy. Does the oblast alone have sufficient strength to implement these projects in conditions of self-financing?

[Ustych] We regard the situation soberly and realize that foreigners will come here only if our services are cheaper than in neighboring countries. We do not immediately expect millionaires to come here. They can be just ordinary farmers—average tourists. In Switzerland there are many ordinary village houses where one room is always free for travellers. People can stop there, sample the national cuisine. It is completely realistic that something like that could be organized here.

At present, the population of the territory disposes of only 7.9 percent of its resource potential. Is this not humiliating? Under such conditions, to improve the infrastructure is, of course, very difficult.

[MOLOD UKRAYINY] As far as I know, Transcarpathia is the only oblast in the republic which has a center of assistance abroad.

[Ustych] Yes, the history of the territory is such that many people have been connected to Transcarpathia. Many business people come here as to their Fatherland, and the factor of living conditions then becomes a secondary consideration. There is a Transcarpathian diaspora; its most eminent representative is the multi-millionaire Robert Maxwell. He was born in Solotvino. Maxwell is interested in the idea of calling a forum of business people who are Transcarpathians by birth. I am chairing the organizing committee of that forum. We know the whereabouts of close to one hundred solid businessmen—Ukrainians, Hungarians, Germans, Slovaks, and are in contact with them. In addition, in September of this year, in Chicago, the International Information and Coordination Center for Assistance to Regional Development and Joint Enterprise in Transcarpathia was registered. We also should not exclude the possibility of interest on the part of the Bank for Development and Assistance to Countries of Eastern Europe—capital investments for specific goals are possible. Foreigners are frightened by the gigantic spaces and insatiability of the Union; they would like to invest their money more compactly, in order to easily control its use.

[MOLOD UKRAYINY] So there are serious proposals and even a certain hard currency base?

[Ustych] I think the possibilities are not bad. Already in the oblast we have registered over 200 participants in external economic activity; 560 work units maintain links across the border. There are 18 different external trade organizations on our territory. Transcarpathia's external economic turnover is almost 48 million foreign exchange [invaliutni] rubles. These are all production resources, because people already have some experience of cooperation in business.

[MOLOD UKRAYINY] And joint ventures?

[Ustych] We have four. So far, we cannot say that they are very effective. We feel the effects of the imperfection in the setting of standards, the lack of tuning of the economic mechanism. For such joint enterprises, it is necessary to have an appropriate economic environment that can be adapted to foreign investment. Everything is linked together. In the present environment, the sprinklings of market economy are hanging on only through super-heroic efforts and semi-legal hustling. This is abnormal. Business and entrepreneurship cannot be based on breaking the law. Capital must feel that it is a natural part of the economic environment, so that capital investments can work normally.

[MOLOD UKRAYINY] Serhiy Ivanovich, in your view, will the machine building, forestry, food and light industry that are located in the oblast be able to work at an international level?

[Ustych] Frankly speaking, not yet. Except perhaps for furniture manufacturing. But we need to create enterprises based on new technologies. All the more so as we have favorable conditions.

[MOLOD UKRAYINY] Successful production means first of all qualified personnel...

[Ustych] The Carpathian branch of the Kiev International Management Institute has just been opened. We have large expectations from it, as it has the same body of lecturers as in Kiev; close to 70 percent of the lecturers are invited from abroad. This will be a forge of local personnel.

[MOLOD UKRAYINY] I have heard that in Transcarpathia there is a lot of unemployment...

[Ustych] We have 660 thousand employable people and several tens of thousands who are not engaged in production. These are mainly inhabitants of the Tiachev, Mezhigorie, Irshava and Rakov rayons. People live from migrant seasonal labor, often taking children from school with them for seasonal work. We expect that additional capital will help solve the oblast's problem of swing and seasonal migration. Incidentally, the draft "Position with Regard to a Joint Enterprise Zone in Transcarpathia" foresees accepting inhabitants of other regions for work only on a contract basis. We must do this because as far as density of population, the oblast takes first place in the republic; the situation with respect to dwellings is worse only in the Lvov and Rovno areas. With regard to the level of consumption, we are also noticeably below the average republican index.

The Uzhgorod city council of people's deputies has just approved the decision to limit resettlement here of people from other oblasts and republics. We are not talking about the victims of Chernobyl: to them, we guarantee a place to live. We are talking about those who, although they have no connection with Transcarpathia or the Ukraine, buy half-derelict houses from old people for a song and on that land build themselves strongholds for penetrating across the border.

[MOLOD UKRAYINY] While familiarizing myself with the draft "Position..." I came across the idea of organizing a labor exchange. Will this be something totally different from the existing placement bureau?

[Ustych] Undoubtedly, the personnel base will remain the same, because people have experience of similar work. As to its functioning, we expect that the exchange will assist in arranging contractual work for people abroad. Advance agreements with western firms already exist; now what is needed is the appropriate legal basis. In addition to hard currency, the person will get advanced experience—this is already a totally different ecological consciousness, cultural level.

[MOLOD UKRAYINY] But the existing laws forbid private individuals from keeping hard currency.

[Ustych] According to the "Position Regarding a Joint Enterprise Zone in Transcarpathia," not only legal, but also physical persons are to be guaranteed the right to own hard currency that has been earned, remitted, or brought in from abroad. In the case of a contract, most of the hard currency earned will be kept by the individual; only a small portion will go to the local budget.

[MOLOD UKRAYINY] You also intend to open a hard currency exchange, hard currency auctions. Does this not create the danger of a gradual movement of the enterprises in the oblast into the hands of foreigners?

[Ustych] The currency exchange will be the basic institution for regulating the operations of the hard currency market in the zone. The fears of "selling the Fatherland to exploiters" have remained mired in the mass consciousness from the period of stagnation, when the country was selling its raw materials abroad for a song. It is a debatable question which is the greater evil—the pay for work here, where you get only one-third of what you earn, or present-day capitalist exploitation, which guarantees the individual over 60 percent of the value created by him. As the well-known satirist stated, "If only someone in Europe would agree to enslave us..."

Civilized management of our affairs will be guaranteed by some of the important features of "The Position Regarding a Joint Enterprise Zone in Transcarpathia": "The exclusive right to control, use and manage land, its underground resources, waters, fauna and flora in our interests and in the interests of a sovereign Ukrainian state lies with the population living on the territory and is exercised in its name by the council of people's deputies." And also: "Sale of land to foreign physical and legal persons is forbidden." To the peoples of Transcarpathia will also belong all the resource potential in the construction, industry, agriculture, transportation, recreation and tourism and service sectors located on the territory of the oblast.

[MOLOD UKRAYINY] The realization of these plans will make it possible to essentially redistribute the local budget...

[Ustych] Naturally, we will not take a narrowly-economic path, because the basic aim of the joint enterprise zone is to solve a number of social problems of the territory. At present, centralized financing of education, medicine and culture is done on the leftover principle. So long as we have this economic structure, the battle with the leftover principle of financing will be only verbal. According to the latest data, the Ukraine has a 32-billion budget deficit. With the inflation that is occurring, will we ever see additional capital investment? When we have our own strong zone budget, we will be able to strengthen those branches by redistribution of funds. No other real method for raising the cultural level exists at present.

[MOLOD UKRAYINY] But a strong local budget can be established only with the presence of incentives, at least in the first years. Every oblast would like such incentives. . .

[Ustych] In the conditions of a market economy, every region looks for its strong resource which will enable it to survive. In Donbas, it is coal; here—our unique geographical and historical situation. We cannot decline to take advantage of it. For the Ukrainian state, such a zone is also beneficial, for it brings foreign investments, technologies, specialists, high-quality goods and services. This will assist the development of the national economy.

[MOLOD UKRAYINY] Can the Ukraine also expect favourable terms from the zone with regard to transport of freight, customs and the like?

[Ustych] Absolutely. The highest governing body of the joint enterprise zone is the oblast council of people's deputies. But all the economic and political life will be regulated by republican and international laws. Ukrainian will remain the state language.

[MOLOD UKRAYINY] I wish you all kinds of success and the fulfillment of your innovative plans. Thank you for the conversation.

Implications of Nakhodka Free Enterprise Zone 914A0279A Moscow *TRUD* in Russian 8 Jan 91 p 2

[Article by A. Dushechkin, *TRUD* special correspondent, Nakhodka-Vladivostok: "Of What Is the Free Zone Free?"]

[Text] It took advocates of creating a free enterprise zone in Nakhodka three years to cut this "window on Asia" through the crumbling fences of the government program for development of the Far East region, through the monolith of the boyarist lack of comprehension on the part of "top bureaucrats." In August, by defending their projects in the committees and commissions of the Russian parliament, they had already become convinced, of the 395 cities, rayons, oblasts, krays, and

autonomous republics of RSFSR that had a claim, Nakhodka would become the first free enterprise zone in the country's history.

And now the Russian Supreme Soviet has decided to create a free economic zone in the area of the city of Nakhodka in Primorskiy Kray. Without fanfare or drums. A country swept by stormy discussions of strategies for the transition to the market did not react suddenly to the news that a market in what might be called concentrated form will be created on its eastern fringe at a pace that cannot be compared to any program.

According to fairly sound forecasts, the inhabitants of Nakhodka will feel the effect very soon: that life has become both easier and better. Just before the decision by the Russian parliament Soviet businessmen intending to open here branches of their enterprises, cooperatives, and firms besieged the city. They will bring tax payments for the budget and goods for Nakhodka's market. Within one month from adoption of the decree of the RSFSR Supreme Soviet, a system of permits (for trips and invitations) will be set up for access to the ZSP [free enterprise zone] for individuals not registered in Primorskiy Kray. The market will thus be protected from interloping traders, and the inhabitants—at least to some degree—from an invasion of the criminal element.

But the people of Nakhodka will not see the average Russian inhabitant in their city as a "herald of the new era," but above all as a foreign businessman, a specialist, speeding by in the street in a late-model Toyota. "Different levels of prosperity" will come about in the zone. At the lower level, there will be about 180,000 persons, who will live and work under practically the same conditions as before. Pensioners alone number 43,000 in the city. The standard of living will improve noticeably for those who will work in joint enterprises—they number between 12,000 and 15,000 people. But even their earnings will not compare at all to the income of foreign specialists or even ordinary workers of the Western countries.

We have to understand that the foreign businessman will come to the zone not out of a sense of philanthropy, but in search of the profit which specifically comes from inexpensive manpower. The average wage of the Chinese in the Chinese ZSP in Kwangtung is \$65 per month. And this seems to be enough for people. But it is one-fifth of the U.S. official poverty level....

The income and standard of living of foreign specialists will exceed 10-fold the income of the people of Nakhodka. Hotels, housing, and recreation centers are, of course, being built in the zone specifically for foreigners with an altogether different level of comforts and services. We should immediately add that tourism is one of the lines of development of the ZSP, which means that the number of rich foreigners will not be limited just to the specialists of the zone, and there will be a corresponding number of elite institutions operating on the basis of foreign exchange.

Plans call for attracting to the zone foreign workers, Korean and Chinese, whom the enterprises will be readier to hire than our own workers: However hard it might be to face, they work harder, and they will not demand outlays for development of social services. And it is becoming clear: This will be a test for the people of Nakhodka. They will have to realize the actual level of their poverty, not give in to envy, but begin to work several times better. Will they be able to?

At present, the stereotypes are strong. In one of the local newspapers, I read a letter: "Because of the free enterprise zone that is springing up, soon the people of Primorskiy Kray will have both retail and wholesale trade available...."

Western businessmen do not write to the newspapers, but they express their opinion in business negotiations: Let us suppose I decide to open an enterprise in your town. I will take a bank loan. But our bankers establish interest rates on the basis of our rate of turnover of capital and the productivity of our workers. For my enterprise, that means \$150,000 per person. But the best worker in Nakhodka produces 35,000 rubles [R] a year. Will I be able to pay even the interest? I do not know...."

At the center of all these social and economic contradictions is a group of people—politicians, business people, scholars, and specialists—who at one time developed the idea of the ZSP in Nakhodka, defended it, and now they will most likely take the key positions, which is quite as it should be. The zone is actually a "state within a state"—endowed with very broad rights. All the way to legislative regulation of matters not reflected in union and republic laws.

All the free zones that exist in the world are oriented solely toward the host-country obtaining foreign exchange from export operations and foreign businessmen. Simplified to the extreme, this means: the host furnishes the foreigners vacant land, manpower, and in exchange he demands only one thing—a percentage of the profit. The project for the ZSP in Nakhodka also includes as most important lines of development: experimentation, working out the market mechanism, training personnel for the entire country, supplying consumer goods to the union market, and attracting the most up-to-date technologies.

On the occasion of its 30th anniversary, the Japanese firm Iskra Industry presented to the people of Nakhodka a voluminous and detailed report—the result of a study of the potential for creating the ZSP in the Soviet Far East. Taking note of the unquestionable relevance for the USSR of precisely this orientation of the zone, the scientists did, however, point out that this presupposes additional restrictions for foreign businessmen. If the zone, which already has negligible attractiveness for the West with respect to its infrastructure and manpower, begins to work with restrictions, the advantages for Western trading partners will disappear. If this is not to

happen, the managers of the zone have to create a very delicate system of economic levers for influencing the foreign trading partners.

But these are not the only tests facing local authorities. A. Isayev, people's deputy in the kray soviet, mentioned this among a multitude of problems: Who will defend the people of Primorskiy Kray against...SPID [(?) the speedup]? A. Shalamanov, deputy chairman of the Council of the Federation of Primorskiy Kray Trade Unions, noted the first alarming signals: Foreigners want to create joint enterprises, but...without trade unions.

And finally the last thing we would like to speak about specifically. G. Zhebelev, chief of the Eastern Port and vice president of the association of enterprises for development of the ZSP, after the preliminary defense of the conception of the zone in the capital told a correspondent of the newspaper NAKHODINSKIY RABOCHIY:

"Dealings with the staff of the RSFSR Supreme Soviet have confirmed what we supposed—replacement of the partocracy by democratic civil servants has changed nothing in people's psychology. They made an intensive effort to restrict those minimal rights which we incorporated into the conception of the zone to the advantage of union and republic ministries and departments...."

Thus, the business zone in Nakhodka will be an important psychological "test" both for parliaments and for governments of Russia and the Union.

A test for the Union as to its faithfulness to the idea of the transition to the market and renunciation of administrative-command levers. It is within the power of the essential leadership to nullify overnight all the work of preparing the ZSP, to destroy the beautiful testing ground with just one instruction to border guards—restrict the access of foreigners, which was what happened to the "spontaneous" opening of Kaliningrad.

A test for the Russian authorities of their understanding of the scale and complexity of the problems arising in creating the ZSP. The well-known decree of the RSFSR Supreme Soviet dated 14 July presupposes, after all, the creation of quite a number of zones. Would it not be better to concentrate attention and energy on the problems in one or two areas, to help to understand those problems, and to gain at least some experience?

One Japanese businessman began his speech at a meeting in Nakhodka approximately like this: "When it comes to participation of our businessmen in development of your area, I would first like to note that in this respect the waters are muddy in your country. And the Japanese are accustomed to drinking clear water...." This phrase, in my opinion, beautifully suggests the scale of the effort ahead of us. I even wanted to take it as an epigraph for this article, and I mentioned this to A. Kotikov, deputy chairman of the Nakhodka Gorispolkom. He agreed, but he immediately proposed a second epigraph, also "from a Japanese": "Remember that you are a great nation." And he qualified it:

"It is time to cease considering ourselves a superpower—we have to become one...."

Lithuanian Temporary Personal Income Tax Law

Text of Law

914A0242A Vilnius EKHO LITVY in Russian 3 Nov 90
pp 3-4

[Text of law signed by Chairman of the Supreme Soviet of the Lithuanian Republic V. Landsbergis, Vilnius, 5 Oct 90: "Temporary Personal Income Tax Law of the Lithuanian Republic"]

[Text]

I. General Part

Article 1. Personal income taxes will be paid by:

- 1) individuals who receive income connected with labor relations at enterprises, institutions and organizations located on the territory of the Lithuanian Republic, as well as at enterprises, institutions and organizations of the Lithuanian Republic that are located abroad;
- 2) individuals that reside permanently in the Lithuanian Republic and receive income from the population, as well as income that is not connected with labor relations from enterprises, institutions and organizations located on the territory of the Lithuanian Republic and outside its boundaries;
- 3) individual (personal) enterprises and business associations that have the rights of an individual that receive income from commercial business activity and that are registered under established procedure.

This tax is paid by foreign citizens and individuals without citizenship under the same procedure as the citizens of the Lithuanian Republic. The income tax is paid in the manner indicated in treaties if a different procedure is provided for in international treaties.

Article 2. The income tax is not withheld:

- 1) from pensions being paid to retirees from the allocations of state social security, the state budget and the budgets for self-rule;
- 2) from the stipends of students and those studying at educational institutions.

Article 3. Income received in foreign currency is subject to taxation under a separately established procedure.

II. Procedure for Taxation of Income Connected With Labor Relations

Article 4. The tax is levied in accordance with the size of the income-tax rates indicated in Supplement 1 to this Law on income received, at the place of principal work connected with labor relations after the deduction of the minimum not subject to taxation.

Article 5. The following minimum totals for income connected with labor relations received at the place of principal work not subject to taxation are stipulated:

- 1) 250 rubles for invalids in group I;
- 2) 200 rubles for invalids in group II;
- 3) 150 rubles for invalids in group III;
- 4) 200 rubles for individuals with three or more children under 18 years of age;
- 5) 150 rubles for mothers or fathers that have no spouse and are raising a single child under 18 years of age, and 200 rubles for those with two or more children under 18 years of age;
- 6) 150 rubles for workers at enterprises producing agricultural products, receipts from the sale of which comprise more than 80 percent of the total sales receipts;
- 7) 100 rubles for other individuals that are not indicated in Clauses 1-6 of this article.

The size of the tax is moreover reduced by 30 rubles for invalids in groups I and II for eyesight or for parents that are raising at least one invalid child.

Article 6. All monthly income received from the principal place of work and connected with labor relations in monetary or in-kind form are part of income subject to taxation:

1) wages, including various supplements and stipends paid from the funds of social security in connection with temporary inability to work, pregnancy and birth, in the amounts computed for the current month.

The amount of wages paid by enterprises, institutions and organizations for work of a duration of more than a month and with a fixed work time without the payment of monthly wages over that wage period, or with the payment of a portion of wages, are distributed in proportion to the number of months worked (but no more than 12 months);

2) one-time bonuses, stipends subject to taxation and other payments in the amount paid over the course of the month;

3) bonuses and other incentive payments for work results over a period of a duration of more than one month are distributed in proportion to the number of months in the recording period (but no more than 12 months) and are subject to taxation in accordance with the amounts of the income-tax rate scales indicated in Supplement 2 to this Law.

Article 7. Not included in the income subject to taxation are:

1) stipends for social security and social assistance from state funds, as well as stipends for social security, with the exception of stipends for temporary inability to

work, pregnancy and birth; stipends allocated by the government of the Lithuanian Republic and local bodies of self-rule and paid from charitable funds and charitable organizations; and stipends paid by enterprises, institutions and organizations to a worker's family in the event of the death of a worker;

2) amounts paid in accordance with labor legislation in force to compensate for business-travel expenses of a stipulated amount, and monetary compensation as reimbursement for material damages within limits that do not exceed the stipulated norms.

Income subject to taxation is also reduced by the total used for charitable purposes.

Charity is understood to mean the transfer of a sum of money from income belonging to an individual, at his request, to organizations whose charter (or statute) envisages charitable functions, as well as institutions of culture, education, science, health care, sports, social security and social assistance financed from the state budget or budgets for self-rule, if these institutions and organizations do not offer that individual any services in return.

Article 8. Income that is received from other than the principal place of work as enumerated in Article 6 of this Law is subject to taxation in accordance with the income-tax rates indicated in Supplement 2.

The enterprise, institution or organization where the worker's work book is located is considered to be the principal place of work.

Article 9. Income taxes at the rates indicated in Articles 4 and 8 of this Law are withheld by the enterprises, institutions and organizations that compute and pay the income, as well as by individuals who pay wages to hired workers.

Article 10. Enterprises, institutions, organizations and individuals, upon receiving money from banking institutions as pay for the corresponding month (or the second half of a month), simultaneously give the banking institutions a payment authorization for the payment of the income taxes withheld from wages for that month. The payment of income taxes using organizational funds is prohibited.

Organizations and individuals that do not have business accounts at banking institutions or pay for work out of their own current receipts give banking institutions payment authorization for the payment of the taxes withheld no later than the day following the payment of the wages.

Article 11. Enterprises, institutions and organizations that have structural subdivisions that are not independent on the territory of other areas of self-rule transfer the income taxes withheld from the income of workers at those subdivisions to the budget of the territory on which those structural subdivisions are located.

Article 12. The return of excess income taxes withheld is permitted for no more than two years counting from the month in which the error is established.

Article 13. The total taxes not withheld or withheld incompletely, but for not more than the two prior years, as well as a fine of triple the amount of that total, is exacted without recourse from the enterprise, institution or organization. The total non-withheld or under-withheld taxes from a worker may be exacted by the enterprise, institution or organization no later than three months later, counting from the month in which the error was established.

Article 14. A fine of 0.5 percent for each day is charged for the late transfer of the amounts withheld to the budget.

Article 15. The income of ecclesiastical individuals received from worshipers in the performance of religious services are subject to taxation in accordance with the tax rates stipulated in Section III of this Law under the procedure stipulated in Section V.

III. Procedure for Taxation of Author's Remuneration for Works of Science, Literature, Art and Other Author's Works Paid to Authors and Their Descendants

Article 16. The total author's remuneration for works of science, literature, art, discoveries, inventions and other author's works paid to authors and their descendants is subject to taxation at the income-tax rate of 13 percent.

The minimum amounts of author's remuneration for discoveries and inventions whose originators received an inventor's certificate, totaling 1,000 rubles for each discovery or invention, are not subject to taxation.

Article 17. The income tax on author's remuneration is computed and withheld immediately at the place of payment of the remuneration.

Article 18. Income tax at the rate of 60 percent is levied on the total remuneration paid to the descendants of authors for whose works such remuneration has already been paid.

The income tax calculated for children under 18 years of age, spouses and parents (women over 55 years of age and husbands over 60 years old, as well as invalids in groups I and II regardless of age) are reduced by 50 percent in accordance with this article.

Article 19. Income taxes on author's remuneration for works of science, literature and art that are incorrectly charged may be clarified and levied, but no later than for the prior two years.

Article 20. The total non-withheld or incompletely withheld income taxes, as well as a penalty of triple the amount of this total, are exacted without recourse from the enterprise, institution or organization that paid that author's remuneration.

Article 21. The return of excess income taxes withheld is permitted no more than two years later, counting from the month in which the error is established.

Article 22. A fine on the scale of 0.5 percent for every day overdue is charged for the late transfer of taxes withheld to the budget.

Article 23. The councils of self-rule have the right to reduce the income tax of individual taxpayers or release them from payment altogether through the local budget.

IV. Procedure for Taxation of Income from Commercial Business Activity Registered Under Stipulated Procedure

Article 24. Income subject to taxation from the commercial business activity of business associations registered under stipulated procedure and engaged in the production of agricultural products, receipts from the sale of which products comprise over 80 percent of the overall receipts, are subject to income tax on the scale of 10 percent.

Income subject to taxation from the commercial business activity of other business associations and individual (personal) enterprises with the rights of an individual that are registered under stipulated procedure are subject to income tax on the scale of 30 percent.

Article 25. Fees for patents may be established for individual (personal) enterprises and business associations that have the rights of an individual. Income tax is not paid by enterprises that have obtained a patent on income received from the activity indicated in the patent.

The size of the fee for a patent is established by the higher-level soviets of self-rule.

Article 26. Income established via determination of the difference between overall receipts and documented expenses connected with obtaining those receipts, as listed below, is subject to taxation:

- 1) material expenditures and expenditures equivalent to them;
- 2) depreciation deductions for the complete replacement of fixed capital;
- 3) expenses for paying hired workers;
- 4) deductions for social security;
- 5) payments for mandatory insurance;
- 6) land taxes and taxes on surplus values;
- 7) interest paid on bank credit;
- 8) expenses for environmental protection.

Article 27. Expenses that are excluded from overall receipts altogether or in part when establishing the income subject to taxes are:

1) expenses for charitable purposes, culture, education and other socially useful activity;

2) expenses for scientific-research, planning and design work and for the incorporation of new technology.

The procedure for deducting these expenses from the overall receipts is the same as for calculating the tax on the profits of legal individuals.

Article 28. Income from the sale of agricultural products produced in private subsidiary farming, on peasant farms or at individual (personal) enterprises with the rights of an individual is not subject to taxation, with the exception of income from the sale of carnivorous fur-bearing animals, nutria and the products of their processing, as well as flowers, the products of flower growing and hothouse farming.

Article 29. The soviets of self-rule have the right to decrease the tax, or release from payment of the tax entirely, individual (personal) enterprises and business associations that have the rights of an individual through the local budget.

Article 30. Individual (personal) enterprises and business associations make income declarations to the state tax inspectorate no later than 15 days following the close of the quarter.

Article 31. Income taxes are paid no later than 20 days after the close of the quarter. A penalty of 0.5 percent a day is charged for every day the tax payment is late.

Article 32. The entire amount of understated income and a fine of double that amount is exacted without recourse in the event of the inclusion of distorted data in the income declaration for income subject to taxation.

V. Procedure for Taxation of Other Income

Article 33. The overall receipts from the rental of property, interest received on credit and other receipts not enumerated in Sections II, III and IV of this Law are subject to taxation using an income-tax rate on the scale of 20 percent.

Article 34. The taxation of individuals who receive other income is performed by the state tax inspectorate according to the place of their permanent residence. The tax on interest paid by credit institutions for the deposits of individuals is computed and paid to the budget by the credit institutions under the procedure stipulated by the Ministry of Finance.

Article 35. Income taxes are not charged on:

- 1) income from blood donations;
- 2) income received as the result of inheritance and gift (with the exception of an inherited author's remuneration), taxation of which is regulated by other standard documents;

- 3) alimony payments;
- 4) amounts received as reimbursement for loss in connection with the loss of a breadwinner or loss of fitness to work;
- 5) amounts received on a scale stipulated in accordance with labor legislation in force as reimbursement for expenses associated with business travel, as well as material and moral damages within the limits of the stipulated norms for monetary compensation;
- 6) amounts paid on the obligations of State Loans and the obligations of loans by self-rule bodies;
- 7) winnings in lotteries;
- 8) dividends received on shares of stock;
- 9) amounts paid for mandatory and voluntary insurance;
- 10) returned joint-share payments and amounts for stock sold;
- 11) income received as the result of the sale of property belonging to an individual with the right of private ownership, aside from income from the sale of property produced by him for sale.

Article 36. Income tax is computed under the following procedure:

- 1) the income tax for the current year is computed with a regard for the size of estimated income indicated in the declarations of the taxpayers.

A recalculation of the amounts of the income tax may be performed in the event of significant changes in the amount of income received in the course of the year;

- 2) a recalculation of the tax is performed upon expiration of the year or if the source of the income ceases to exist, taking into account the size of the income actually received. The difference between the sum of the tax computed and the sum of the tax that must be paid is subject to payment or return in the course of a month, and if the source of income ceases to exist within 15 days, from the day of presentation of the declaration.

Article 37. The tax is computed on the basis of:

- 1) the income declarations presented to the state tax inspectorates by individuals receiving other income by January 15 of each year. The income declarations relative to the appearance of income in the course of the year are made within five days of the end of the month of the day it appeared, and within five days if the source of the income ceases to exist;

- 2) the materials of investigations performed by state tax inspectorates and other information on hand on the income of the taxpayers.

The tax is computed and subject to payment by the owner of property (or the principal apartment tenant).

Article 38. Taxpayers that are not assessed taxes in timely fashion are subject to taxation for no more than the two prior years. Elaborations in the event of incorrect taxation and the return or payment of taxes are permitted for no more than the two prior years.

Article 39. A penalty on the scale of 0.5 percent for every day overdue is assessed for taxes not paid on time.

Article 40. The whole amount of understated income and a fine of double that amount is exacted without recourse in the event of the inclusion of distorted data on overall receipts in the income declaration.

Article 41. Enterprises, institutions and organizations are obliged to present the tax state inspectorates with information on the amounts of money paid to citizens that are not connected with labor relations (rental of property etc.). This information is submitted within 10 days to the inspectorate on the territory of the activity on which the individual receiving the income resides permanently.

A penalty of 0.5 percent of a concealed amount is assessed for every day overdue in the submission of information from enterprises, institutions and organizations, but not more than triple the size of the amount paid.

Supplement 1 to the Temporary Personal Income Tax Law of the Lithuanian Republic

Income Tax Rates According to Which the Taxes on Income Connected With the Labor Relations at the Principal Place of Work Are Computed

Size of monthly income subject to taxation	Tax rate
from 1 to 600 rubles	18 percent
from 601 to 900 rubles	108 rubles + 20 percent of the amount over 600 rubles
from 901 to 1,400 rubles	168 rubles + 24 percent of the amount over 900 rubles
from 1,401 to 1,900 rubles	288 rubles + 28 percent of the amount over 1,400 rubles
over 1,900 rubles	428 rubles + 33 percent of the amount over 1,900 rubles

Supplement 2 to the Temporary Personal Income Tax Law of the Lithuanian Republic

Income Tax Rates According to Which the Taxes on Income Connected With the Labor Relations Not at the Principal Place of Work Are Computed

Size of monthly income	Tax rate
up to 200 rubles	18 percent
from 201 to 700 rubles	36 rubles + 20 percent of the amount over 200 rubles
from 701 to 1,000 rubles	136 rubles + 25 percent of the amount over 700 rubles
from 1,001 to 1,500 rubles	211 rubles + 30 percent of the amount over 1,000 rubles
from 1,501 rubles and up	361 rubles + 35 percent of the amount over 1,500 rubles

Decree on Implementation

914A0242B Vilnius EKHO LITVY in Russian 3 Nov 90
p 1

[Decree signed by Lithuanian Republic Supreme Soviet Deputy Chairman B. Kuzmitskas, Vilnius, 9 Oct 90: "Decree of the Supreme Soviet of the Lithuanian Republic on the Enactment of the Temporary Personal Income Tax Law of the Lithuanian Republic"]

[Text] The Supreme Soviet of the Lithuanian Republic decrees:

1. It is stipulated that the temporary Personal Income Tax Law of the Lithuanian Republic takes effect with the start of taxation of income received after 1 Jan 91 and will be in force until 31 Dec 92.

2. It is stipulated that those portions of the legislation of the Lithuanian Republic that do not contradict this law are in force until the legislation is brought into conformity with the temporary Personal Income Tax Law of the Lithuanian Republic.

3. The government of the republic is charged with preparing and submitting to the Supreme Soviet for consideration before 1 Jan 91:

3.1. The procedure for taxing income from individuals that is received in foreign currency;

3.2. The procedure for computing the income tax on individuals allowing for the process of inflation.

4. The government of the Lithuanian Republic is charged with establishing a procedure for valuing the in-kind income received by individuals before 1 Jan 91.

5. The Ministry of Finance of the republic is charged with establishing before 1 Jan 91:

5.1. A procedure to compensate for income to the state budget that is not received in connection with the granting of income-tax benefits to individuals by self-rule soviets;

5.2. The form of patent for individual (personal) enterprises and business associations that have the rights of an individual, and the procedure for enacting it;

5.3. The form of income declaration for individual (personal) enterprises and business associations with the rights of an individual and individuals receiving other income, as well as the procedure for filling out the declaration and performing the accounting.

6. It is stipulated that the interest paid by credit institutions on the deposits of individuals is not taxable if it does not exceed four percent a year.

7. A rate of five percent will be employed in place of the rate of ten percent stipulated in Article 24 of this law for the taxable income of business associations producing agricultural products.

8. It is stipulated that the minimum non-taxable income received in 1991 by the taxpayers indicated in Clause 6 of Article 5 of this law will be 200 rubles.

Uzbek SSR Law on Property

Text of Law

914A0253A Tashkent PRAVDA VOSTOKA in Russian
23 Nov 90 pp 2-3

[Law of the Uzbek Soviet Socialist Republic, signed by President I.A. Karimov in Tashkent on 31 October 1990: "Law of the Uzbek Soviet Socialist Republic on Ownership in Uzbek SSR"]

[Text] Ownership in Uzbek SSR is inviolable.

All forms of ownership conducive to the effective functioning of the economy and growth of the prosperity of the people may exist in Uzbek SSR. The inviolability and equal conditions for development of all forms of ownership are guaranteed by law.

Uzbek SSR creates for the owner all conditions necessary for ensuring the preservation and augmentation of his property.

Property relations are regulated by the Constitution of Uzbek SSR, by the present law, and by other legislative enactments of the republic issued to elaborate them.

Section I. General Provisions

Article 1. Right of Ownership

1. Right of ownership is recognized and protected by law in Uzbek SSR.

2. The owner exercises the right of possession, use, and disposition of the property belonging to him at his own discretion.

The owner has the right to perform all actions with his property that are not against the law. He may use property to carry on any economic or other activity not prohibited by law.

3. The owner has the right to convey a right belonging to him to possess, use, and dispose of property to other persons. In the cases, under the conditions, and within the limits envisaged by laws of Uzbek SSR an owner may be required to allow limited use of his property by other persons.

4. Under the conditions and within the limits envisaged by legislative enactments of Uzbek SSR, the owner has the right to conclude contracts with individuals concerning use of their labor in exercise of his right of ownership.

Regardless of the form of ownership which is the basis for using the work of an individual, he is guaranteed the remuneration and working conditions and also other socioeconomic guarantees envisaged by current legislation.

5. Exercise of the right of ownership must not be detrimental to the environment and must not violate the rights and interests of individuals, enterprises, institutions, organizations, and the state which are protected by law.

Article 2. Objects to Which the Right of Ownership May Apply

1. Items of property include land, minerals, inland waters, the air within the limits of the republic's territory, the flora and fauna, buildings and installations, equipment, material and nonmaterial cultural goods, money, securities, other property, and man's capacity for productive and creative work.

2. Relations in the creation and use of inventions, discoveries, works of science, literature and art, information, scientific ideas, technical developments, and other items of intellectual property are regulated by specific legislation of Uzbek SSR.

3. Exercise of the right of ownership to historical and cultural monuments is defined by specific legislation of Uzbek SSR.

4. The results of the economic use of property (products and income), unless otherwise provided by law or contract, belong to the owner of that property.

Article 3. Holders of the Right of Ownership

Holders of the right of ownership are the state, citizens of Uzbek SSR, collectives, their associations, public and religious organizations, family and other associations of citizens, soviets of people's deputies at all levels represented by their authorized bodies, foreign states, international organizations, other foreign juridical persons and nationals. Various juridical persons and individuals may be holders of one and the same property.

Article 4. Forms of Ownership

1. Ownership in Uzbek SSR takes the following forms:

- individual (personal and private) ownership of citizens;
- collective (shirkatnaya) ownership, which includes family, mahala, and cooperative ownership, ownership of leased, joint stock, and collective enterprises, concerns (consortiums), public and religious organizations, as well as various business companies and partnerships and associations, which are juridical persons;
- state ownership, which includes interrepublic and republic ownership, ownership of Karakalpak ASSR, and ownership of administrative-territorial structures (municipal ownership);

- mixed forms of ownership;
- ownership of joint enterprises, foreign nationals, foreign organizations, and foreign states, including foreign juridical persons.

2. All forms of ownership are equal in Uzbek SSR.

Article 5. Suit To Recover From an Owner's Property

1. Suit may be brought on the basis of the obligations of a juridical person to recover from any property belonging to him under the right of ownership, full economic control, or operational management.

The owner is not liable for the obligations of juridical persons he creates, nor are they liable for the obligations of the owner, except in cases envisaged by legislative enactments of Uzbek SSR and Karakalpak ASSR.

2. Individuals are liable for their own obligations to the extent of the property belonging to them under the right of ownership.

The list of the property of individuals from which recovery may be made to satisfy claims of creditors is established by legislative acts of Uzbek SSR and Karakalpak ASSR.

Section II. Ownership of Individuals

Article 6. General Provisions

1. In Uzbek SSR, the ownership of individuals takes the form of individual ownership: personal and private. These forms of ownership are created and enlarged by virtue of the income of individuals from participation in social production, from management of their own economic entity, and from income realized on funds invested in credit institutions, stock, and other securities, from inheritance of property, and on other grounds permitted by law.

2. With the owner's consent, an individual has the right to make a money or other contribution to the property of an enterprise or other economic organization in which he works under an employment contract and to share in distribution of the profit (income) of that enterprise (organization) commensurate with the size of that contribution.

3. Individuals are granted the heritable right to use land for life in order to carry on personal subsidiary farming, fruitgrowing, and market gardening, for construction and to serve residential buildings, and to meet other needs envisaged by law.

4. The right of individuals to bequeath property is recognized and protected by law.

Article 7. Personal Property of Individuals

1. The property of individuals may include houses, cottages, field huts, plantations on a plot of land, domestic animals, vehicles and money, housewares and consumer goods, property necessary for carrying on

personal subsidiary farming, fruitgrowing, and market gardening, the products produced, and also other property of individuals for the purpose of consumption.

The individual possesses the exclusive right of personal ownership over his ability to work—his work power. He exercises this right independently or on the basis of an employment contract.

2. The member of a housing cooperative, cottage cooperative, garage cooperative, or other cooperative who has fully paid up his share for an apartment, cottage, garage, or other structure or space granted him for his use, acquires the right of ownership of that property.

The renter of a housing unit in a building belonging to the state or departmental public housing stock and members of his family have the right to purchase that apartment or dwelling from the owner.

After acquiring ownership of that property, the individual has the right to dispose of it at his own discretion—to sell it, bequeath it, lease it, and conclude other transactions with it that are not against the law.

Article 8. Private Ownership

Private ownership represents the right of private possession, use, and disposition of one's own property in order to derive income. Private ownership in any form may be based on personal direct participation of the owner in the process of production and/or on use of hired labor.

Private ownership arises in the case when the property of state, cooperative, and other enterprises is acquired, when property is leased, or when property is acquired on other grounds permitted by law.

Legislation of Uzbek SSR defines those objects to which private ownership may apply.

Section III. Collective (shirkatnaya) Ownership

Article 9. General Provisions

1. Collective (shirkatnaya) ownership includes family and mahala ownership, and also the ownership of cooperatives, leased, joint stock, and collective enterprises, public and religious organizations, various business companies and partnerships, associations, and other associations, which are juridical persons.

2. The formation and augmentation of collective ownership is achieved by the leasing of state enterprises, by the granting to collectives of workers the opportunity to use the income realized to purchase state property, through transformation of state enterprises into joint stock companies, by voluntary pooling of the property of individuals and juridical persons to create cooperatives, joint stock companies, other business companies, and partnerships.

3. The list of enterprises and production operations which may not be transferred to the various forms of collective ownership is defined by the Supreme Soviet of Uzbek SSR.

Article 10. Family Ownership

Family ownership is ownership by members of a family. It may include machines and equipment and consumer goods and products produced necessary for the life of the family, joint satisfaction of the needs of the members of the family, for carrying on the household and a subsidiary farm, and other activity permitted by law in order to realize income.

The right to family ownership consists of the right of common joint ownership of spouses and other family members and also of the right of personal and private ownership belonging to each of them.

Article 11. Mahala Ownership

1. The object of mahala ownership is the property in the possession, use, and disposition of primary units of social self-government—mahalas, property created on the basis of the joint work activity of inhabitants of the mahala or of their joint income, and also proceeds from economic use of such property and voluntary contributions, material assistance rendered by enterprises, organizations, and institutions, and financial resources conveyed by local soviets of people's deputies.

2. The inhabitants of the mahala are the holders of mahala ownership. The elective bodies of the mahala possess, use, and dispose of mahala ownership with the rights of full economic management.

Article 12. Cooperative Ownership

1. Cooperative ownership is the common ownership of individuals who have joined together voluntarily on the basis of membership for joint conduct of economic activity or other activity.

2. Cooperative ownership is formed from the money contributions and other property contributions of members of the cooperative, from the products it produces, from income realized from their sale, and from other activity envisaged by the cooperative's bylaws.

3. When a cooperative is liquidated, property remaining after settlement with the budget, banks, and other creditors is distributed among the members of the cooperative.

Article 13. Ownership of a Leased Enterprise

The products produced, income realized, and other property acquired with the funds of that enterprise are the property of a leased enterprise.

The procedure and conditions for participation of members of the work collective of a leased enterprise in

management of its affairs and in distribution of profit (income) are defined by legislation of Uzbek SSR on leasing.

Article 14. Ownership of a Collective Enterprise

1. The ownership of a collective enterprise occurs in case of transfer of the entire property of the state enterprise to the ownership of the work collective, when leased property is purchased, or when property is acquired by other means envisaged by law.

The property of a collective enterprise, including products produced and income realized, is the common property of the collective.

2. The contributions of a collective enterprise's workers in the property of that enterprise are determined. That contribution consists of the sum of the contribution of the workers to the property of the state enterprise or leased enterprise from which the collective enterprise was formed, and also the worker's contribution to the growth of the property of that enterprise after it was created.

The size of the worker's contribution to the growth of property is determined on the basis of his participation through his work in the enterprise's activity.

Interest is calculated and paid on the contribution of the worker of the collective enterprise at the rate determined by the work collective on the basis of the results of the enterprise's business activity.

A worker who has terminated employment relations with an enterprise and also the heirs of a deceased worker are paid the value of the contribution.

When a collective enterprise is liquidated, the value of the contribution is paid to workers (their heirs) from the property remaining after settlement with the budget, banks, and the enterprise's other creditors.

Article 15. Ownership of a Joint Stock Company

1. A joint stock company is the owner of the property created by selling stock and also obtained as the result of its business activity and acquired by it on other grounds permitted by law.

2. The stockholders may be enterprises, institutions, organizations, state agencies, citizens of Uzbek SSR, other republics of the Union of SSR, and of foreign states unless otherwise provided by legislative enactments of Uzbek SSR or the bylaws of the company.

3. By joint decision of the work collective and the government agency so authorized, a state enterprise may be transformed into a joint stock company through the sale of stock covering the entire value of the enterprise's property. The funds realized from the sale of stock go into the respective budget once the debts of the state enterprise have been covered.

Article 16. Property of a Business Company and Partnership

1. The property of business companies and partnerships which are juridical persons consists of contributions of the participants, property obtained as the result of business activity, and property it has acquired on other grounds permitted by law.

2. The contribution of the participant in a business company and partnership may include fixed and working capital, money and securities, and also rights to use property.

3. Participants in a business company and partnership may be enterprises, institutions, organizations, state agencies, as well as individuals, unless otherwise provided by legislative enactments of Uzbek SSR.

Article 17. Property of Business Associations (assotsiatsii and obyedineniya)

1. A business association of enterprises and organizations (including concerns, a branch association, inter-sector association, and regional association) possesses the right of ownership of property voluntarily conveyed to it by the enterprises and organizations and also property realized as a result of its business activity.

2. The business association does not have the right of ownership to the property of the enterprises and organizations belonging to it.

3. The property remaining after termination of the activity of a business association is distributed among the enterprises and organizations belonging to it in proportion to the shared contributions they made.

Article 18. Ownership of Public Associations

1. Public associations (political parties, mass movements, including people's fronts, trade unions, women's, veterans', youth, and children's organizations, voluntary societies, creative unions, foundations, and other associations of individuals) may own buildings, installations, housing stock, equipment, furnishings, property for cultural, educational, and health purposes, money, stock, other securities, and other property necessary for the material support of the activity envisaged by their bylaws.

The property of public organizations may also include enterprises created from the funds of those associations in keeping with the purposes indicated in their bylaws.

The money of public associations is formed from the enrollment contributions and membership dues if their payment is envisaged by the bylaws; voluntary contributions and donations; proceeds from lectures, exhibitions, athletic and other events, and lotteries conducted in accordance with the bylaws, income from production and business activity and publishing activity, and other proceeds not prohibited by law.

The powers of federations and of the associations making them up concerning the possession, use, and disposition of property belonging to those federations and to the associations making them up are determined by the bylaws of the federations and the associations.

Legislative enactments of Uzbek SSR may establish forms of property which on grounds of state and public security or in accordance with international treaties of Uzbek SSR may not be the property of public associations.

Public associations may obtain money and other property arriving from abroad in keeping with the purposes and tasks established in their bylaws and in accordance with the procedure defined by legislation.

Political parties and public movements pursuing political goals do not have the right to obtain financial or other material aid from foreign organizations and foreign nationals.

2. Property remaining after liquidation of a public association is assigned to the purposes envisaged by its bylaws.

Article 19. Property of Religious Organizations

1. The property of religious organizations may include buildings, religious objects, articles for the purpose of production, social welfare and philanthropy, money, and other property necessary to support their activity.

Religious organizations have the right of ownership of property acquired and created by virtue of their own resources, donations of individuals and organizations or property conveyed by the state, and property acquired on other grounds envisaged by law.

The property of religious organizations may include property located abroad.

In Uzbek SSR, it is permitted to convey property for philanthropic purposes.

Religious organizations have a right to appeal for voluntary financial and other donations and to receive them.

2. Donations of property and financial resources which religious organizations receive and likewise all forms of money proceeds from individuals are not subject to tax.

Section IV. State Ownership

Article 20. General Provisions

1. State ownership of Uzbek SSR includes republic ownership, ownership of Karakalpak ASSR, and ownership of administrative-territorial structures (municipal ownership). State property is disposed of and managed in the name of the people (the population of the administrative-territorial structure) by the respective soviets of people's deputies and by state officers and agencies they authorize.

By agreement among owners of state property, that property may be their property in common.

2. Property created or acquired with budget resources or other resources of Uzbek SSR, Karakalpak ASSR, an administrative-territorial structure, or fund of enterprises, organizations, and institutions under their management belongs to the ownership of Uzbek SSR, Karakalpak ASSR, or the ownership of the administrative-territorial structure, respectively.

3. Uzbek SSR is not liable for obligations of Karakalpak ASSR and the administrative-territorial structures, nor is Karakalpak ASSR or an administrative-territorial structure liable for obligations of Uzbek SSR and obligations of one another.

Article 21. Objects of Republic Ownership

1. The following are under the exclusive ownership of Uzbek SSR:

- land and minerals, inland waters, the flora and fauna, and the air within the limits of the republic's territory;
- property of the bodies of government and administrative agencies of Uzbek SSR;
- cultural and historical monuments of the peoples of the republic;
- resources of the republic budget, republic and state banks, insurance funds, reserve funds, and other state funds;
- enterprises in the state sector and the economic complexes formed from them (fuel and energy, mining and metallurgy, machinebuilding, petroleum and gas, chemical and wood, agroindustrial, and transportation), state higher educational institutions, facilities in the sphere of social welfare and culture, and other state property ensuring the sovereignty and economic independence of the republic.

2. The conditions whereby all-union ownership is operative on the territory of Uzbek SSR are regulated by treaty between the Union of SSR and Uzbek SSR.

Article 22. The Holder of Republic Ownership

The holder of republic ownership is the people of Uzbek SSR. The right of ownership is exercised on behalf of the people by the Supreme Soviet of Uzbek SSR and local soviets of people's deputies of Uzbek SSR.

Article 23. Ownership of Uzbek SSR Outside the Republic

The possession, use, and disposition of the property of state, cooperative, and public organizations and also of citizens of Uzbek SSR located in other republics and foreign states are regulated by legislation of Uzbek SSR and by the laws of those union republics and states where the property is located, as well as by the standards of international law and by agreements concluded between the USSR and Uzbek SSR.

Uzbek SSR provides aid to the possessors of that property in its protection.

Article 24. Ownership of Land and Other Natural Resources

1. Land and minerals, inland waters, the flora and fauna, and the airspace within the limits of the republic's territory are under the exclusive ownership of Uzbek SSR.

2. On behalf of Uzbek SSR, the right of possession, use, and disposition of land, minerals, inland waters, the flora and fauna, and other natural resources is exercised by soviets of people's deputies at all levels.

3. Use of land, minerals, water, the flora and fauna, and other natural resources for all-union needs is possible only with consent of Uzbek SSR on contractual principles and for compensation.

4. The procedure whereby the Karakalpak Autonomous Republic furnishes plots of land and other natural resources and facilities to meet the needs of the entire republic is defined by agreement between Karakalpak ASSR and Uzbek SSR.

5. Disputes arising between the Union of SSR, the union republics, and Uzbek SSR related to the granting and use of land, water, and other natural resources are taken up through third-party arbitration or some other procedure established by law.

Article 25. Ownership of Karakalpak ASSR

The right of ownership of Karakalpak ASSR is determined by the Law on Ownership in Karakalpak ASSR.

Article 26. Interrepublic Ownership

Uzbek SSR, as a sovereign state, may join other republics in forming interrepublic ownership with specified shares of each union republic in the right of ownership to the property and results of economic activity.

Use of the water resources, air, and other forms of property affecting interrepublic interests is subject to agreement between them, with participation of the Union of SSR if necessary.

Article 27. Items Under Ownership of the Administrative-Territorial Structure (Municipal Ownership)

Items under ownership of the oblast, rayon, city, or other administrative-territorial structure are the property of government bodies and administrative agencies of the administrative-territorial structure, the resources of the local budget, the housing stock and housing municipal services operations of the local soviet of people's deputies, and also enterprises in the sectors of industry, construction, agriculture, trade, everyday services and transportation, other enterprises and complexes, public educational institutions, cultural and health care institutions, other property created with the funds of the local

budget and necessary for the economic and social development of the territory and for performance of other tasks facing the respective administrative-territorial structures. The procedure for the transfer of republic property to municipal ownership is determined by agreement between the parties.

Article 28. The Holders of the Right of Ownership of the Administrative-Territorial Structure (Municipal Ownership)

The holder of the right of municipal ownership is the population of the respective administrative-territorial structure. The population turns over exercise of the right of ownership to local soviets of people's deputies of Uzbek SSR.

Article 29. Property of the State Enterprise

1. Property which is owned by the state and assigned to a state enterprise belongs to it with the right of full economic management.

In exercising the right of full economic management of its property, the enterprise possesses, uses, and disposes of that property and at its own discretion performs regarding it any actions that are not against the law. Rules on the right of ownership apply to the right of full economic management, unless legislation of Uzbek SSR provides otherwise.

2. State bodies and agencies authorized to manage state property decide the questions of creating enterprises and defining the goals of their activity, their reorganization and liquidation, they monitor the effectiveness of use and preservation of the state property entrusted to them, and they exercise other powers in accordance with legislative enactments of the Union of SSR and Uzbek SSR.

3. Should the state agency empowered to manage state property decide on reorganization, privatization, or liquidation of a state enterprise, except in cases when it is found unsound (bankrupt), the work collective has prior right to lease the enterprise or to transform it into another enterprise based on collective ownership. Disputes arising in such cases between the state agency and the work collective are resolved by state arbitration.

Article 30. Ownership of Members of the Work Collective of a State Enterprise

1. Profit remaining in a state enterprise after payment of taxes and other payments into the budget (net profit) becomes the property of the work collective of the enterprise and is used in accordance with the laws of the enterprise and legislation of Uzbek SSR.

2. The sum of profit belonging to the member of the work collective constitutes his contribution.

When an enterprise is liquidated, the amount of the contribution (value of stock) is paid to members of the

work collective (heirs) out of the property remaining after settlement with the budget, the banks, and the enterprise's other creditors.

Article 31. Property of a State Institution

1. Property which is owned by the state and assigned by the owner to a state institution (organization) financed from the state budget is under the operational management of that institution (organization).

2. State institutions (organizations) financed from the state budget which in the cases envisaged by legislative enactments of Uzbek SSR may carry on economic activity acquire the right to independent disposition of income from that activity and of property acquired with that income.

3. The state institution (organization) is liable for obligations to the extent of the money resources at its disposition. If the state institution (organization) has insufficient funds, the owner of the respective property is liable for its obligations.

Section V. Mixed Ownership

Article 32. Right of Mixed Ownership

Mixed forms of ownership are formed by a pooling of the material and money resources of owners. Ownership of mixed property may occur both on the principle of shares and also on the basis of proportional distribution of income among the owners pooling their resources and by agreement of the parties.

There are various forms of mixed ownership defined by the status of the owners integrating their resources. Pooling of property is permitted between Uzbek SSR and other union republics, foreign states, and various juridical persons on the territory of Uzbek SSR, and also the property of Uzbek SSR and other union republics, the USSR, and foreign states.

Section VI. Ownership of Joint Enterprises, Foreign Nationals, and Foreign Organizations and States

Article 33. Ownership of Joint Enterprises

Joint enterprises in which Soviet juridical persons and foreign juridical persons and foreign nationals are involved are created on the territory of Uzbek SSR in the form of joint stock companies, business companies, and partnerships, and they may own property necessary to carry on the activity envisaged by the documents of incorporation.

Article 34. Ownership of Foreign Nationals

The provisions of this law pertaining to the ownership of Soviet citizens also apply to the property of foreign nationals located in Uzbek SSR.

Article 35. Ownership of Foreign Juridical Persons

Foreign juridical persons have the right to own on the territory of Uzbek SSR industrial and other enterprises, buildings, installations, cultural facilities, and other property necessary to carry on economic and other activity in the cases and according to the procedure established by legislative enactments of Uzbek SSR.

Article 36. Ownership of Foreign States and International Organizations

Foreign states and international organizations have a right to own property on the territory of Uzbek SSR necessary to carry on diplomatic, consular, social-and-cultural and other international relations, in the cases and according to the procedure established by international treaties and legislative enactments of Uzbek SSR.

Section VII. Guarantees and Protection of the Right of Ownership

Article 37. Guarantees of the Right of Ownership

1. Uzbek SSR guarantees the stability of property relations established in accordance with this law. Accordingly, confiscation of an owner's property is not permitted except in the cases envisaged by laws of Uzbek SSR.

2. If Uzbek SSR adopts legislative enactments terminating the right of ownership, the owner is fully reimbursed for the loss he incurs as a result of adoption of those enactments either voluntarily or by decision of the court.

3. Uzbek SSR guarantees individuals, organizations, and other owners equal conditions with respect to protection of the right of ownership.

Article 38. Protection of the Right of Ownership

1. An owner has the right to demand and recover his property from someone else's unlawful possession in accordance with civil legislation of Uzbek SSR.

2. An owner may demand correction of any violations of his right, even if those violations were not combined with deprival of possession.

3. The right of ownership is protected by the courts, by state arbitration, or by the arbitration tribunal.

4. The rights envisaged by this article also belong to a person, though not an owner, if he possesses property with the right of full economic management, operational management, heritable possession for life, or on another basis envisaged by law or contract. That person is also entitled to protection of his possession against the owner.

Article 39. Protection of the Interests of the Owner in Connection With Termination of His Rights on Grounds Envisaged by Law

1. Termination of the right of ownership related to a decision to confiscate a piece of land on which a dwelling, other structures, installations, and plantations of the owner are located or by another decision of a state agency not directly aimed at confiscation of property from the owner is permitted only in the cases and according to the procedure established by legislative enactments of Uzbek SSR, whereupon the owner is to be fully reimbursed the loss incurred by termination of the right of ownership.

if the owner does not consent, the decision terminating the right of ownership may not be enforced until the dispute has been settled by a court, state arbitration commission, or arbitration tribunal. During examination of the dispute, all questions of reimbursement of losses to the owner are also settled.

2. Compensation of an owner's property by the state is permitted only when that property is attached on the basis of the owner's obligations in the cases and according to the procedure envisaged by legislative enactments of Uzbek SSR and also through requisition and confiscation proceedings.

In cases of natural disasters, accidents, epidemics, epizootics, and other circumstances of an extraordinary nature, property may be confiscated from an owner in the interests of society by decision of the bodies of government according to the procedure and under the conditions established by legislative enactments of Uzbek SSR, the value of the property being paid to him (requisition).

In cases envisaged by legislative enactments of Uzbek SSR, property may be confiscated from an owner by decision of a court or state arbitration commission.

Article 40. Invalidity of Enactments Violating the Rights of Owners

If as a consequence of issuance of an enactment of a body of state government or local body of government that does not conform with law the rights of the owner and other persons concerning possession, use, and disposition of property belonging to them are violated, such an enactment is declared invalid by the courts following a suit by the owner or persons whose rights have been violated.

Losses incurred by individuals, organizations, and other persons as a consequence of issuance of such enactments are subject to reimbursement in the full amount out of the resources at the disposition of the respective body of government or administrative agency.

Decree on Law's Implementation

914A0253B Tashkent PRAVDA VOSTOKA in Russian
23 Nov 90 p 3

[Decree of the Uzbek SSR Supreme Soviet, issued 31 October 1990 and signed by M. Ibragimov, chairman of the Uzbek SSR Supreme Soviet: "Decree of the UzSSR

Supreme Soviet on Implementing the Law of Uzbek SSR on Ownership in Uzbek SSR"]

[Text] The Supreme Soviet of the Uzbek Socialist Republic hereby decrees:

1. That the Law of Uzbek SSR on Ownership in Uzbek SSR takes effect on the date of publication.
2. That the cabinet of ministers of the president of Uzbek SSR:
 - jointly with the USSR Council of Ministers will settle the question of delimitation of property between all-union property and property of Uzbek SSR. The point of departure here is that the property of Uzbek SSR, in addition to the property of enterprises, institutions, and organizations under republic jurisdiction, must also include the property of enterprises, institutions, and organizations which are now under union jurisdiction and are to be transferred to the ownership of Uzbek SSR;
 - jointly with the Council of Ministers of Karakalpak ASSR and executive committees of oblast, rayon, and city soviets of people's deputies will divide property between republic (Uzbek SSR) property, the property of Karakalpak ASSR, and municipal property. Here, the point of departure is that property of Karakalpak ASSR and of administrative-territorial structures must include not only property under local jurisdiction, but also the property of enterprises, institutions, and organizations under union and republic jurisdiction transferred to ownership of Karakalpak ASSR and the administrative-territorial structures;
 - no later than 1 January 1991:
 - will present for consideration of the Supreme Soviet of Uzbek SSR the drafts of legislative acts defining types of property which on grounds of state and public security or in accordance with international treaties of the USSR and Uzbek SSR may not be owned by individuals;
 - will present to the Supreme Soviet of Uzbek SSR proposals on bringing legislative acts of Uzbek SSR into conformity with the Law of Uzbek SSR on Ownership in Uzbek SSR;
 - will bring decisions of the government of Uzbek SSR into conformity with the Law of Uzbek SSR on Ownership in Uzbek SSR;
 - will see that ministries, state committees, and departments of Uzbek SSR review and abolish normative acts they have adopted if they contradict the Law of Uzbek SSR on Ownership in Uzbek SSR.
 - 3. Until such time as legislation of Uzbek SSR is brought into conformity with the Law of Uzbek SSR on Ownership in Uzbek SSR, current legislative enactments of Uzbek SSR shall be applied unless they contradict this law. At the same time, decisions of the Government of Uzbek SSR issued before this law takes effect on matters

which under the law may be regulated only by legislative enactment remain in effect until adoption of the respective legislative enactments.

4. The provisions of the Law of Uzbek SSR on Ownership in Uzbek SSR apply to legal relations arising after the law takes effect.

5. The provisions of the Law of Uzbek SSR on Ownership in Uzbek SSR pertaining to state ownership: ownership of Uzbek SSR and ownership of Karakalpak ASSR, interrepublic ownership, and ownership of administrative-territorial structures (municipal ownership), take effect as the question of delineation of property between these forms of ownership is settled.

6. Matters which the Law of Uzbek SSR on Ownership in Uzbek SSR has placed in the jurisdiction of the courts and state arbitration commission and on which proceedings have not been completed as of the date of adoption of the law are to be taken up by the courts and state arbitration bodies in accordance with the established jurisdiction.

7. Rules on protection of the right of ownership envisaged by Articles 38 and 39 of the Law of Uzbek SSR on Ownership in Uzbek SSR also extend to legal relations arising before this law takes effect.

The right envisaged by Article 40 of the law to reimbursement of loss incurred by an owner through adoption of a legislative enactment terminating the right of ownership applies to enactments adopted after this law takes effect.

Turkmen Officials Discuss Transition to Market Economy

914A0254A *Askhabad TURKMENSKAYA ISKRA* in Russian 4 Dec 90 p 2

[Report of a "roundtable" meeting, compiled by N. Sosina, TURKMENSKAYA ISKRA economic commentator, and O. Gumadov, SOVET TURKMENISTANA department head, under the rubric "On the Threshold of a Market: "The Changes: Meaning and Consequences"]

[Text] The market and everything that is connected with it—this was the topic of a "roundtable" in which directors and leading specialists of Gosplan, the Gosplan Scientific Research Institute with Computer Center, the State Committee for Socialist Labor (Goskomsotstrud), the State Committee for Material and Technical Supply (Gosnab), the TuSSR Ministry of Finance, and the former republic Council of Ministers, along with correspondents from the newspapers TURKMENSKAYA ISKRA and SOVET TURKMENISTANA, took part. And so, the questions and answers...

[Correspondent] What distinguishes the alternative concept of the republic's economic sovereignty that was

made public by TuSSR Academy of Sciences vice president Redzhep Bayramov at the Supreme Soviet session? Were its suggestions taken into consideration in the development of official documents within the committees of the Supreme Soviet?

[D. Bayramov, director of the TuSSR Gosplan NIEI with Computer Center, doctor of economic sciences] Essentially, the author of the alternative concept is advocating market relations that are completely free of interference from state organs.

The concept of a "regulated market" is being subjected to criticism on the part of certain economic scholars. But let us be realists. The country's national economy is in ruins, the market is empty, and prices are growing. And who, other than the state, is capable of protecting vulnerable strata of the population from the elements? Who will create the most favorable conditions for development of a network of small enterprises and the production of consumer goods? It is necessary to consider that both the nonproduction, non-market spheres (culture, public health, popular education) and the basic ones (the fuel and energy, extractive, and defense industries, transportation and large hydraulic engineering installations) will be kept as state property; they are financed by it and require centralized management. At the same time, Bayramov's proposals are not being rejected and certain of them have been taken into account in developing the Concept for TuSSR Economic Development and the program for transition to a market economy.

[Correspondent] The usual and strict means of regulation—the state order—is well known. How is it to be combined with the declared freedoms of entrepreneurial activity? You will agree that, if all the most important products are 100-percent covered by the state order, then the enterprises will be left without a possibility of concluding barter deals and of freely selling manufactured products.

[R. Meredov, first deputy chairman of the TuSSR Gosnab] The average level of the state order for the country in 1991 will come to 49 percent of the total volume of deliveries. Within the republic, this indicator is much higher, which is totally abnormal. Under market conditions, crude interference, the dictate of all-union or republic planning organs, is impermissible.

[M. Abalakov, first deputy chairman of the TuSSR Gosplan] But you know what kind of anarchy reigns everywhere! It is necessary in the initial period to preserve economic ties, to strengthen contract discipline. During the stage of transition to a market economy, the state order is a medicine against shock, against collapse of the system of deliveries. I am convinced that, as the market fills up with goods and as wholesale trade in the means of production develops, the state order will acquire a different meaning and a different form—it will become advantageous for commodity producers to receive a state order.

[Correspondent] Why are there no programs of regional economic accountability so far?

[D. Bayramov] Other important documents have been approved, which define precisely the formation of the republic's economic sovereignty. These must become "surrounded by" a complex of concrete measures. Economists and the government are working on this.

I spent three hours arguing with the well-known economist Shatalin, a member of the Presidential Council, trying to show him that we have been living as a part of the Soviet Union for 70 years without having precise criteria concerning the contribution of regions to the creation of gross national product. Such criteria are necessary for the establishment of equivalent exchange.

[Correspondent] What is the balance of imports and exports of food and industrial products? Can the republic fully feed its population on its own?

[R. Meredov] It is wrong to view regional economic accountability as a territorial closed system. Self-isolation in the modern world is absolutely impossible. It is absurd to propose that Russia will begin to grow silkworm eggs or cotton, and that Turkmenistan will set to work assembling aircraft, not having either the personnel, or the base, or the economic necessity for this. The market will force us to strengthen cooperation and the division of labor. We are all very different, but, at the same time, depend strongly upon one another. It is sufficient to look at the balance of imports and exports. For October, we had a positive balance for deliveries of products used in production processes and of raw materials. But we have a minus of one and a half billion rubles with regard to consumer and other goods. No, without the help of Russia, the Ukraine, Belorussia, and other republics, we still will not be able to feed, clothe, or shoe our own people.

In general, the situation is strained with regard to contracts; our partners are moving slowly, evidently in expectation of a state order and new prices.

[Correspondent] What kinds of joint enterprises have we formed?

[M. Abalakov] The development of joint enterprises—both with foreigners and with partners within the USSR, is a sign of the breakdown of backward economic relationships and the establishment of entrepreneurship. The Chardzhou Remstroydormash plant in collaboration with the Perm Motorostroitel production association is organizing the production of engine blocks. The Ministry of Local Industry [Minmestprom] is establishing a artificial leather, wall-paper, and linoleum factory jointly with the Indians. The State Agro-Industrial Committee has signed a letter of intent with an Italian firm about organizing the manufacture of double-dyed fabrics, towels, and neckties. Dozens of joint enterprises are beginning to function.

[R. Meredov] And it is to be hoped that this process will develop in a systematic way, without a lack of coordination. But take a look. Practically all ministries and departments and banks are looking for partners and are opening enterprises. A.I.D., at the same time, are frequently duplicating each other. The Ministry of Local Industry, the State Agro-Industrial Committee, and Gosnab are deciding to produce wall-papers and linoleum and the total capacity of the joint enterprises together... exceeds the needs of the republic by several-fold. I think that a department should appear within the TuSSR Gosnab, Gosplan, or Ministry of Finance, which would possess all information concerning collaboration and a data bank on expenditures and proposed effect and which would coordinate the establishment of joint enterprises. We are not rich enough to let things drift and lose time and money. Real owners understand this well.

[Correspondent] A word about owners. Propagandists are alarmed: Will not the multiplication of forms of ownership become a return to capitalism? Why does the government not state the truth about its choice of capitalist development, but rather is casting a veil with words about a "democratic," "humane" socialism? What then have we been creating for 70-plus years?

[D. Bayramov] Any system is good if it serves man. Clearly the time has come to say honestly to whom, within the country, property belongs, what it represents, and what the essence of the existing economic system is. And, for this, normal scientific categories would be entirely sufficient, without clouding minds. We are still not sovereign, because kolkhoz farmers, workers, as well as members of the intelligentsia, in the final analysis, serve as hired hands of the state. For several decades, the Soviet people have been deprived of natural motivation for effective labor. Privatization of property, we hope, will awaken the readiness, sleeping within each of us, for highly productive work—for the good of ourselves and of society, will put an end to the levelling approach to wages, and will destroy the administrative-command system of management.

Is this really bad? We need a law-governed state, with equal rights for all owners. It is a different matter if the state, despite declarations, will nevertheless remain the sole owner of the means of production, land, and its natural resources, and the individual person, the family, and the collective will be only their temporary users. So that this does not happen, there must be good laws and strong judicial and executive authority. Well, and its formation is determined by the correlation of levels of ownership. Time will show how it will develop.

[Correspondent] Relationships of ownership can only be changed in a fundamental way, you are right. But what percentage of the republic's enterprises will nevertheless remain in state ownership? How will privatization take place?

[M. Abalakov] The balance value of the republic's fixed capital exceeds 25 billion rubles, 85 percent of which is

the property of the state. It will keep approximately 50-60 percent of this capital. Privatization is an extremely difficult process. There needs to be an organ—a holder of state property—which would predict results, while determining rules for the sale, purchase, and leasing of enterprises and the methodology of assessing their value.

The forms of denationalization are the following: Putting capital up for lease with the right of purpose, formation of joint-stock companies, and sale—including on an installment basis—to labor collectives, families, and individual citizens. It is possible that shops, factories, and plants that are operating at a loss or are unprofitable will be turned over to the workers free of charge or on favorable terms. Small enterprises with a number of workers up to 100 persons (there are 120 such within the republic) can be leased or purchased. On the basis of large ones, joint-stock companies and, in construction, cooperatives are preferable, etc.

[Correspondent] Won't a "laundering" of dishonestly earned money occur in the course of privatization?

[M. Abalakov] In the aims of preventing abuses, in particular the legalization of illegitimately accumulated funds, society must ensure strict control. Its instrument should be a declaration concerning earnings when completing large-scale purchases. Preference in privatization will however be given to labor collectives and workers that are granted material assistance, the right to installment purchase, and credits, etc. by enterprises, from their own funds, and by banks.

It should start with the sphere of trade and everyday services. Small stores, for example bakeries and cafes, can be put up for sale in the initial period.

[Correspondent] More about ownership. Will the monopoly of the center be preserved with regard to the cotton and astrakhan that is raised in Turkmenistan? Will the republic and individual entrepreneurs receive the right to freely sell these and other raw materials that are presently licensed by the USSR Council of Ministers?

[V. Orlov, sector chief in the former TuSSR Council of Ministers] As regards the agro-industrial sector, then much here will be determined by the volume of state order and the final effectiveness of production. Next year, for example, it is planned to deliver to the state 229,000 tons of cotton fiber, or 57 percent of the total amount. Thus, the TuSSR has the right to dispose of the other part independently. All astrakhan resources remain the property of the republic.

[Correspondent] About prices. Why does a transition to a market economy begin with an increase in them?

[V. Filipas, department head of the former TuSSR Council of Ministers] The impression may be created that, by raising prices, the state wishes to solve its own problems by the easiest way and to shift the burdens of the market onto the shoulders of the working people.

Justified fears exist that an increase in prices by itself will not increase the effectiveness of social labor. But indeed a complex of market measures are being undertaken. And we can no longer tolerate distortions in price formation. In order successfully to fulfill our main functions—to achieve commensurability of expenditures of social labor, to ensure equivalency of exchange, to regulate the relationships of demand and supply, and to reach a balance on the market—prices must be flexible and change along with changing economic and social conditions. The national economy needs an economically justified system of prices, which would motivate saturation of the market with products. Altogether, one-fifth of each ruble we earn is matched by available goods. You will agree that stores cluttered with expensive things are better than empty shelves and exorbitant prices on the black market. It is better to have more goods and less money that has lost its value from inflation. It is better to have earnings for society than for speculators.

[Correspondent] But what is the limit to increased prices? Does the state also plan to regulate them for any goods?

[M. Abalakov] You know that the principle of using free contract prices for products is spreading, but at the same time, the government is not losing sight of the behavior of monopoly enterprises and is controlling them through the use of governing devices and the introduction of fixed prices. By the end of 1991, prices will be frozen for goods and services of prime necessity (150 designations). When necessary, rationed, normative distribution of foodstuffs and industrial articles will be introduced and their export outside the republic will be restricted. But, in the future, government control of prices will be consistently removed by commodity groups, taking account of the situation on the market and in the society. In 1992, only a narrow circle of consumer goods forming the basis of a minimum living standard will be controlled (bread, butter, meat, sugar, school textbooks and supplies, certain types of medicines, transportation fares, and in the sphere of municipal services).

[Correspondent] On what social guarantees can families with many children count, what does price indexing give them?

[N. Alovov, chairman of the TuSSR State Committee for Socialist Labor] Of the 593,000 families that live within the republic, 13 percent are multi-children families. Measures for their social protection are of the greatest importance. Funds have been found for special help to families, for increasing stipends to students, and for payment of benefits to pensioners, invalids, and participants in the war. And, nevertheless, the republic unfortunately does not have the means to help all those families in which there are six and more persons and where the per capita income does not exceed 50 rubles. Personally, I would not begin to force a transition to a market economy without having first created a series of normative documents regulating procedures for such protection.

[Correspondent] Protection of the incomes of the population under conditions of an increase in prices and inflation presupposes the introduction of various types of compensation and, first of all, an indexing of earnings...

[N. Alovov] For workers with fixed pay and wages (the military service, teachers, physicians, scientific workers, employees, and others) indexing should be carried out on the scale of 70 percent of wage level. At cost-accounting enterprises, indexing is subject to the wage fund. As regards pensions, stipends, and benefits, these are indexed at 100 percent. That is—benefits etc. will be increased by the same percentage as prices grow. Procedures of indexing will be regulated by the laws of the USSR and the republic. Special benefits have been established for childbirth equal to three times the amount of the minimum wage, i.e., 210 rubles (In the TuSSR the amount will come to 300 rubles). By a decree of the republic Supreme Soviet, a standard monthly grant is being introduced for children in ages from one and one-half to six years equal to 50 percent of the minimum wage for each child, if the average total income per family member does not exceed twice the size of the minimum wage (140 rubles). The monthly state grant to single mothers is being increased; it is paid to them until the child reaches 16 years (up to 18 years for students not receiving a stipend). The amount of the grant is up to 50 percent of the minimum wage (35 rubles). For persons who live in an area where there are rayon coefficients to wages, the size of the grant, beginning on 1 December of this year, will be determined taking these increments into consideration. Monthly grants (12 rubles) for children up to 12 years of age are being preserved for families where the average per capita earnings do not exceed 50 rubles.

[Correspondent] How will the problem of employment of the population be resolved—a very severe one in the TSSR?

[N. Alovov] A complex program for effective utilization of labor resources has been in operation since the beginning of the five-year plan. A government decision of the government to create an additional 17,000 working places in the western rayons of the republic is being realized. It is planned to employ 20,000 persons in Tashauz Oblast. Thirty branches and production units of the Turkmen Consumers Union, the Ministry of Light Industry, the Ministry of Local Industry, and the TuSSR State Agroindustrial Committee have been organized in the first half of this year. But this is extremely inadequate. It is time to activate the local soviets, to which broad rights and basic functions are being transferred with regard to regulation of the labor market. If, today, they sometime emerge in the role of supplicants and depend upon the ministries and departments, then tomorrow they will be able, by tax, financial, and other methods, to stimulate enterprises and sectors to create new working places

A ramified employment service will take upon itself a search for vacancies, analysis of the situation on the labor market, professional orientation of the population, and the retraining of personnel. The state guarantees material support to the unemployed until work is found for them. All financial and credit, investment, and tax policy will be directed toward rational allocation of production forces, the creation of new technology and of small enterprises, and the introduction of flexible work regimes

[Correspondent] Do small enterprises have advantages?

[A. Yazmukhamedov, department head of the former TuSSR Council of Ministers] On the basis of voluntary contributions from institutions and enterprises and, in part, of budget funds, a special purpose fund is being established within the republic for material support to small enterprises. They enjoy favorable tax rates, accelerated amortization of fixed capital. The small enterprise is guaranteed supplies of resources, including centralized supply. In a word, there is a direct benefit to developing a network of small enterprises

[Correspondent] What kinds of collectives have favorable taxes?

[Ya. Orazsakhatov, chief of the State Tax Inspectorate of the TuSSR Ministry of Finance] A distinguishing feature of the new tax system is its flexibility and differentiated nature. While a fixed tax rate of 45 percent of earnings has been introduced for a majority of taxpayers, the rate is 35 percent for social organizations carrying on commercial activity. Cooperatives in the construction line and ones producing agricultural products and construction materials are freed from the payment of taxes for two years from the moment of their establishment. The rest are assessed 25 percent of the established tax rate the first year and 50 percent the next year. Besides this, taxes are reduced on that income which enterprises utilize for scientific research work, or for maintaining objects having a social and cultural designation or which they transfer to various charitable funds. Advantages are extended to organizations that carry out construction in rural areas and ones that utilize the labor of invalids and pensioners

[P. Pryanichnikov, deputy chief of the TuSSR Ministry of Finance Tax Inspectorate] Apprenticeship enterprises and cooperatives, enterprises established by consumer cooperatives that only produce consumer goods from local raw materials and waste products, social organizations of invalids and their institutions, the peace and cultural funds of soviets, the Children's Fund are relieved of all taxes. The earnings of youth enterprises established at educational institutions are not subject to tax. The government and local soviets have the right to establish additional benefits within the limits of budget funds by means of legislative acts. The decisions of tax inspectors can be appealed to a higher-level inspectorate

in court

[Correspondent] And, in conclusion, a block of questions about the organs of management. A reorganization of these was carried out in 1988 in conformity with the General Plan [Generalnaya skhema]. It is not known who made the wrong (and the mistakes have cost the republic dearly) and unpopular decisions about the amalgamation and partition of ministries and departments and the liquidation of two oblasts and certain rayons. Today, we are faced with the necessity of new structural changes and a revocation of decisions made earlier. Tell us, was there an economic justification for the reorganization of 1988 and has a new one been worked out?

[I. Filipas] There was no economic justification. The reorganization pursued one single goal—to reduce the management apparatus and expenditures for maintaining it.

Unfortunately, full consideration was not given to the consequences of liquidating two oblasts—the Askhabad and, particularly, Krasnovodsk oblasts. Short-term savings of budget funds were achieved, but they lost far more. Now, when a new plan for management of the national economy is being developed, is the very time to correct this mistake.

INTERREGIONAL, FOREIGN TRADE

Escalation of Interregional 'Customs War' at Vitebsk

914D0103A Minsk ZNAMYA YUNOSTI in Russian
20 Dec 90 p 1

[Article by Leonid Vinokurov: "Contraband...Matches or to What the Escalation of the 'Customs War' May Lead"]

[Text] The law "On Temporary Measures To Protect the Consumer Market of Belorussian SSR" passed by the republic Supreme Soviet is in effect. In Vitebsk Oblast, they have set up customs control posts along the borders with Lithuania, Latvia and Russia. It is possible to relate to this fact in different ways but one thing can already be confirmed: the people implementing it are not eating their own bread for nothing....

At the customs post in Yezerishch, they discovered 224 "Zhiguli" inner tubes in the motor vehicle belonging to Aleksandr Usik from Bobruisk. It was apparent that the young man intended to resell the scarce commodity in Leningrad and thereby obtain a good profit. True, A. Usik stubbornly denied this, arguing that he was merely performing a transportation service for some unknown citizens: he had agreed for 150 rubles [R] to deliver the inner tubes to the banks of the Neva. The carrying out of an investigation is not one of the functions of customs officers. They merely established the fact of the violation of the mentioned law and prepared a report on it. Under the sentence of the People's Court in Gorodok, the inner tubes were confiscated and Usik was fined R5,000.

Indeed, the mass exportation of acutely scarce consumer goods may be characterized as an economic diversion against the republic. Cigarettes have recently fallen into this category. The coupon system worked to the benefit of clever operators. For example, it did not prevent a certain Golubtsov from obtaining more than 2,000 packs of cigarettes. In attempting to take them into Russia, he was detained at the customs post. Of course they let him "light up": the People's Court in Vitebsk fined Golubtsov R5,000.

The inhabitant of Lithuania, Machulis, who managed to stow several hundred bottles of wine in his passenger car, was punished even more severely by the People's Court in Postavy. He was carefully taking them home and would have delivered them safe and sound if he had not been stopped by the border guards. The sentence of the court separated him not only from the wine but also from the car. And he still must pay R5,000.

Among the goods held by the customs officials are many that have long since disappeared from the counters of our stores. Thus, they confiscated 22 fox and mink caps from a Vitebsk woman. She was taking them to Leningrad for sale.

The consumer goods confiscated by the courts are sold to the public. But somehow you do not notice that this is making our stores even a little less empty. It is obvious that the situation in the consumer market can be improved substantially only by eliminating the main causes of the dearth of goods. Not much can be achieved through prohibitions alone. Nevertheless, the measures taken by the Belorussian Supreme Soviet to protect the consumer market are also having a certain effect (as indicated by the facts presented above).

But it would be incorrect to close our eyes to the fact that their implementation is quite costly. Just recently it was considered axiomatic that the borders between the republics of our country are borders of friendship, which, of course, do not divide but unite them. This traditional understanding is now starting to show some cracks. The "tranquility of our borders" has been disturbed by the first volleys of the "customs war" that is heating up there.

Now you approach the border between republics with a certain amount of apprehension. The very fact of an imminent customs inspection causes uneasiness, even if you do not sense any personal guilt. You go over in your mind the contents of your suitcase: What if something forbidden should turn up in it? In your absent-mindedness, for example, you grabbed not the permitted two but three boxes of matches. It is even worse if you took along a spool of thread—it is included among the goods whose exportation is forbidden entirely. It is all the more risky to carry a transistor radio, especially a new one. Try to prove that you took it along to pass the time en route.... Under the new law, it is forbidden to take out any radio equipment.

It is easy to find yourself in the role of an involuntary "smuggler." There was such a case. A citizen who was transporting 20 packs of cigarettes explained that he was going to a sanatorium located where the Vitebsk coupons are invalid and where there is no commercial trade. So he stocked up on something to smoke for the entire time of his stay at the sanatorium. He showed the travel authorization to back up his words. It did not help. They confiscated the cigarettes and fined the "violator."

So the literal execution of the law: "On Temporary Measures..." sometimes turns out to be an arbitrary infringement of the citizen's constitutional rights. It is no wonder that the workers of the GAI [State Automobile Inspectorate] who have to perform the customs inspection are perplexed by the performance of these duties that essentially do not belong to them. Many of them express the opinion that the law is not well conceived. Of course it is necessary to protect the consumer market but it must be precisely against those who are truly undermining it by striving to grab a bigger piece of the pie. The mechanism for the implementation of this law lacks flexibility. At the beginning of December, a decree was passed that introduces mitigating correctives to the law but it has not yet been published and has not yet become a guide for action.

New customs officials are experiencing certain difficulties because they must be guided both by the law passed by the Belorussian Supreme Soviet and by the decree of the oblast council, which affirmed its list of goods that are forbidden to be exported outside of the Vitebsk area.

If things continue this way, soon the rayons of a single oblast will begin to protect their consumer market in an analogous manner. It may happen that, having bought a commodity in one rayon of the city, you will not be able to deliver it to another rayon where you live. We are not exaggerating much, for the "war of calling cards" that has begun in Vitebsk may be seen as the first stage of a "customs war." On the northern edge of the oblast center, there are stores for industrial goods and groceries that belong to the rayon union of consumer cooperatives. City "calling cards" are not valid here and the inhabitants of the neighboring streets avoid these stores.

It is astonishing that all of this is taking place on the eve of the transition to market relations, which presuppose the free movement of commodities. When these relations finally begin to work, of course, everything will fall into place. For the time being, however, much of what is now happening along internal borders goes beyond the bounds of common sense.

INDUSTRIAL DEVELOPMENT

RSFSR 1990, 1991 Industrial Performance Assessed
914402894 Moscow *EKONOMIKA I ZHIZN*
in Russian No 1, Jan 91 p 6

[Article by A. Frenkel, doctor of economic sciences and professor, and Ya. Beylinson, candidate of economic sciences.]

[Text] Very little time is left before the results of country's socioeconomic development last year are totals

up. What will be its results, how much will the country already have behind it when it starts the new year 1991? Even today, such questions are resounding ever more frequently in the letters the editors receive. Nor is this any accident. Enterprise managers and workers' councils are studying conditions of the market that is taking shape and are building their plans for the future on the basis of forecasting assessments. In a new department of this newspaper in 1991, to be called "Market Review," forecasting estimates will be given on development of the industry of RSFSR in 1990 and 1991 in response to numerous requests from readers. The editors intend to publish reviews of a forecasting nature in the future as well. What interests you in market conditions for 1991: the market for raw materials, equipment, supplies and particular commodities? We will prepare such articles in response to your wishes.

As shown by an analysis of the situation that has taken shape in RSFSR industry and forecasting calculations, industrial production in 1990 will be characterized by an increasing decline in its rates of development (see the graph).

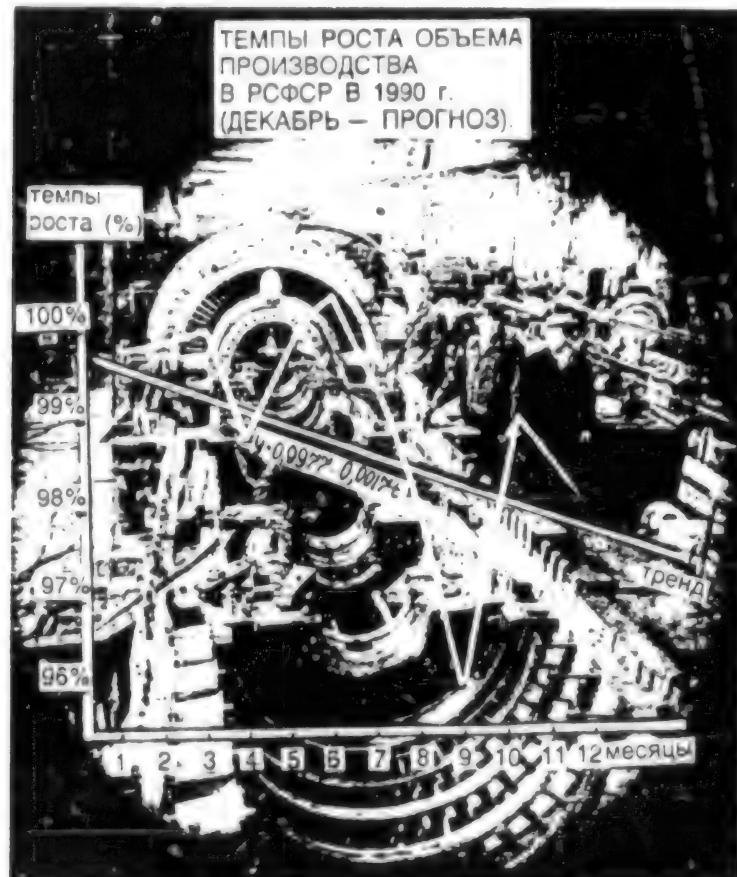
The graph shows the actual and forecast growth rates in 1990 (data from which the influence of fluctuations of total worktime had been eliminated were used to estimate the trend). The decline in the absolute level of the volume of production, which began in January 1990, has continued. For 1990 as a whole, the index number of the fiscal volume relative to the 1989 level will be 99.4. Over all of 1990, the growth rate fell 0.5 percent per quarter (estimate from the trend). In the fourth quarter, average daily output, according to the estimate, will drop 1.5-2 percent. All the calculations have been brought into conformity with the methodology of RSFSR Goskomstat in permanent 1982 prices.

Adjusted for inflation, industrial output in RSFSR will drop at least 3.5-4 percent, which amounts to between 19 and 20 billion rubles [R]. For the first time in 45 years, there will be a reduction in the annual volume of industrial production in the republic.

The process of the decline in the absolute level of the volume of production is typical of all branches of industry with the exception of machinebuilding and household equipment production. There will be an appreciable decline in the branches of the fuel and energy complex, metallurgy, the chemical industry, and the woodworking industry, and this will have rather lasting consequences for the entire economy both of Russia and also of the USSR as a whole.

The anticipated drop in the volume of production is not being accompanied by a corresponding reduction of material costs. For the first time in recent years, there will be a drop in the materials intensiveness of industrial production as a whole. Specific materials intensiveness of industrial output will be adversely affected by the

Growth Rates of the Volume of Production in RSFSR in 1990 (December Forecast)



Key:—1. Growth rates, %; 2. Months; 3. Trend

increase in the share of materials-intensive branches such as light industry and the food industry. This in turn will bring about a drop in the growth rates of net output and a reduction of the volume of profit.

The following changes will occur in the structure of industrial production in 1990: There will be a drop in the share of the extractive industries and industries doing the primary processing of raw materials (by 2.5-3.5 percent); the share of machinebuilding, adjusted for inflation, will increase 3 percent; the share of production operations producing durable consumer goods for the public (household equipment) will grow by 7-7.5 percent.

Changes in the structure of industrial production like those occurring in the republic would have to be seen as constructive and indicative of intensification of production and of its social orientation if the market were balanced and saturated. But under the actual conditions of RSFSR these changes in structure reflect only new areas of scarcity.

Energy Carriers

With the exception of natural gas, the average 1990 production of energy carriers will drop 3.6 percent from 1989. The declining trend in the production of the principal forms of mineral fuel and petroleum products first showed up in 1989 after production stabilized in the 1986-1988 period. According to the forecasting estimates, the volume of production in the republic's fuel and energy complex will be down four percent from 1989. Petroleum production will be off 30 million tons from 1989 and 45 million tons (8.5 percent) from 1984. At a price of \$150-200 per ton of Dubay grade petroleum (world prices), losses from the decline in petroleum production may be estimated at \$4.5-6 billion.

Coal production, which has been dropping since 1989 (in 1990, it was down eight percent from 1988), will reach only the level of 1985 at the end of the present year, according to the estimates. The declining production of coking coal will adversely affect the development of metallurgy.

Natural gas production will increase, in 1990 reaching the largest volume ever at 643 billion m³. Over the

period 1986-1988, the growth rates of gas production remained unchanged (108 percent) at a very high level, but in 1989 and 1990 they dropped to 104 percent.

The situation with the production of fuel and energy resources in the republic must be seen as potentially unstable. Since no substantial changes are anticipated in the technology of resource use and conservation, the drop in the volume of production of the most important fuels will adversely affect the operation of industry, transportation, and possibly the municipal sector in 1991.

Chemical Output

In 1990, the output of the republic's wood-chemical complex is expected to drop at least five percent. There will be a drop in the production of plastics, man-made fibers and filaments, and synthetic rubber. For instance, the production of man-made fibers and filaments, which has been dropping since 1986, fell an average of 0.9 percent per quarter (almost 1,500 tons) over the last 24 months.

With the exception of sulfuric acid, whose production is remaining at the previous level, there will be a drop in the output of the most important products of the chemical industry: synthetic ammonia, soda ash and caustic, and manufactured fertilizers. The drop in the production of microbiological products will be substantial; production of medicines, whose value has increased 4 percent, will not grow, according to our estimates.

Structural and Building Materials

The forecast of production for 1990 shows a drop in the production of rolled products of ferrous metals, steel pipe, various wood products, and practically all building materials items.

The drop in production of rolled products and pipe in both Russia (by three percent and 10 percent, respectively) and also in the USSR as a whole (by two and 4.5 percent, respectively) will in 1991 hold back development of motor vehicle construction, machine tool building, and the production of chemical, oil field, and petrochemical equipment.

The decline in production will be quite substantial in the wood and woodworking industries. The decline in production from 1989 will be 12 percent for wood materials, 11 for commercial timber, and eight percent for sawn lumber.

The absolute drop in the production of sawn lumber, cement, building brick, slate, and soft roofing materials will make it difficult to increase their supply to the consumer market. The production of rolled products, pipe, cement, and slate will decrease more in RSFSR than in the USSR as a whole.

Household Equipment

The substantial growth in production of consumer goods, which is typical of 1990, may continue in the first half of 1991 as well. This applies above all to household electrical appliances and electronics, the growth of whose production, on the average for this subgroup, was about 110 percent over 1989 (15-16 percent in retail prices).

The growth has been at a particularly high rate for the production of washing machines (118-120), vacuum cleaners (115-116), and sewing machines (116). There will be an appreciable growth, according to the forecasts, in the production of a number of electrical goods that are essential. Production of refrigerators and freezers will be considerably faster than in the Union as a whole (6.4 percent, as against one percent in the USSR). There will be an especially fast growth in the production of household electrical appliances—tape recorders (360,000), television sets (265,000-270,000), and radios (335,000). But it will hardly be possible to eliminate or even reduce the shortage of these products on the consumer market anytime soon. Assuming that demand on the territory of RSFSR is satisfied from domestic production (the union republics), it will take four to five years to achieve this goal.

The production of synthetic detergents began to slow down in the fourth quarter in spite of the high growth (more than 15 percent) in 1990, which could bring about a very rapid disruption of this commodity market, which since 1988 has become one of the most unstable.

AGRO-ECONOMICS, POLICY, ORGANIZATION

Agrarian Reform in Moldova Examined

91UN0679A Kishinev SOVETSKAYA MOLDOVA
in Russian 5 Dec 90 pp 1, 2

[Article by A. Golya for MOLDOVA-PRESS: "To Conduct Reforms With Regard for the Opinion and Interests of the People"]

[Text] The residents of the villages of Dondushenskiy Rayon met Mircha Ion Snegur, president of the Moldovan SSR and people's deputy, in accordance with the good old tradition of bread, salt, and live flowers. This was the site of his meeting with the voters of the 703d Sorokskiy territorial electoral district.

During a conversation with the teacher's collective of the village of Liveden, the president of the republic talked about the legislative activities of the parliaments of the USSR and the Moldovan SSR and about his work in the country's Council of the Federation. He noted that these days the attention of the republic's leadership is always focused on problems of the social development of the village, ways to conduct effective agrarian, administrative, and territorial reforms, and the provision of a painless transition to a market economy.

However, this does not mean that problems of the development of culture, art, science, and education are ignored. All tasks must be resolved together. One of the main roles in the difficult process of national restoration and the creation of a civilized state is played by the schools. After all, today's teachers have to complete an important task—they have to lay the foundation for the training of highly qualified specialists who answer the requirements of the future. Today's schoolchildren will become managers, programmers, and businessmen and, taking that into account, the teachers need to orient the children toward choosing a career.

Agreeing with this, Olga Kukosh, director of the Liveden village school, said that the teachers are aware of the tasks in front of them. In the school, where 560 schoolchildren study, all problems are resolved with the aid of the local organs of power. However, there are unresolved questions today which go beyond the framework of the local authorities and demand aid from the ministries and the republic's leadership. These include providing new textbooks and materials which respond to contemporary demands, retraining personnel, and, of course, improving the material position of the teachers and the rural intelligentsia who, during the transition to a market, may find themselves in a far from favorable position.

"We are pursuing these problems," said the president. "A Supreme Soviet standing commission on science and education, headed by Professor Petr Soltan, is working hard to solve them, and there are already some results.

As for the material position of teachers, an increase in their wages in particular has been stipulated. The administration of the republic is already preparing the appropriate documents." The president also supported the wish of the teachers to change the name of the village of Liveden back to its historical name of Myndyk.

The social problems of the village were a main theme of discussions at a meeting between the president and machine operators of the local kolkhoz Biruintsia. In the course of a stimulating conversation with his voters, the president stressed that next year the village will be allotted 35 percent more capital investment than in preceding years. This means that significantly more attention will be paid to the construction of roads, consumer and public health facilities, and a program of gasification. All of this will be closely intertwined with the implementation of administrative, territorial, and agrarian reform. But in this instance no one is preparing to move hastily. On the contrary, these reforms, so important for the republic, will only be carried out with regard for the opinions and interests of the people. In conjunction with this, it is also necessary to find effective ways of allotting maximum authority to the local organs of power and conducting privatization, proceeding from principles of social justice.

Expressing their own point of view on these problems, the machine operators stressed that their kolkhoz, headed by Georgiy Kuku, has an annual profit of two million rubles [R], the people work well together, and they wish to continue working together on that farm.

"Agrarian reform should take into account the interests of all sectors of the population, and first and foremost those who till the earth and not just speak ringing phrases about it," emphasized the meeting's participants. "We believe that there is no return and that we must develop new forms, whether that is leaseholding, contracting, or something else. If someone wishes to have more land, that person, of course, should not be hindered. But there are few such people inasmuch as the youth, unfortunately, have been raised differently and the elderly do not have the strength. Therefore it is advisable to develop collective forms of labor on the land and interest people in teaching the youth and ensuring continuity. Then the mother earth will not be abandoned and we will feed ourselves and the republic."

The village's workers expressed confusion over the fact that the pace of production, so far as they are aware, is hardly falling, but the shelves of the stores are emptying rapidly. Noting that the republic's leadership is also concerned by this problem, the president stressed that some decline in the volume of production is nonetheless occurring in the republic. Another problem is panic buying caused by the most incredible rumors. However, the main reason, believes M.I. Snegur, is sabotage organized by those who deal on the shadow economy, the misdirection, hiding, and unfair distribution of goods, and the actions of some mafia circles in the economy and trade.

The residents of Dondushenskiy Rayon supported the president, citing the following example. The rayon department store was closed the previous evening: The economic police found goods worth about R100,000 hidden away there.

"All this is done with premeditation in order to give rise to dissatisfaction among the population and stir people up against the government and the parliament of the republic," stressed Ion Moraru, chairman of the rayon department of the NFM [Moldovan People's Front], who took a direct part in uncovering the thieving trade employees. Along with the other participants in the meeting, he supported the president's position that to fight such elements more effectively there is a need to establish state control, ratify Gorbachev's presidential edict on the institution of worker control, and adopt other supplementary measures to ensure social protections for the people.

They also called upon parliament to apply the law more strictly with regard to those who by their destructive actions try to dismember the republic and aspire to the creation of new territorial formations in Moldova in an unconstitutional fashion. The contempt of these forces not only for the parliament of the republic but even for USSR President M.S. Gorbachev proves that there is no sense in offering any compromises and concessions to people who do not wish to resolve problems using parliamentary methods and who continue to carry out their separatist plots.

This subject found its logical continuation in the conversation of the republic's president with the residents of the village of Maramonovka. Far more people showed up to take part in the meeting than could be lodged in the meeting hall of the executive committee of the rural soviet. As a result, the meeting was continued later in the Culture House. The villagers who took part stressed that the majority of them are Ukrainians, that people of 11 nationalities live in the village, and that they have always found a common language among them and therefore condemn those who are pushing the republic into the abyss of interethnic enmity and destabilizing the situation with their hasty actions.

"We need peace and calm. People should always remain people," said the residents of Maramonovka. "We must not become bitter because of consumer disorders. We must respect one another—*independent of nationality, party membership, or any other differences.*"

The president expressed his support for such a position. He talked about the Society of Ukrainian Culture formed recently in Kishinev—its supporters are guided by common sense and constructivism.

Discussing the separatist mood of the leaders of the Left Bank region, the residents of Maramonovka expressed fears in regard to the rumors circulating about the possible unification of Moldova with Romania.

"Time and time again we have officially and privately refuted these groundless rumors, which benefit the destructive forces," answered Mircha Snegur. "And this means that, being sober politicians, we should be guided by the Helsinki accords and other documents concerning the inviolability of borders existing in Europe and, finally, by the Paris Charter signed recently. Unification with any state also contradicts the Declaration on Sovereignty adopted by the parliament of the republic."

The president also stressed that signing a new Union treaty or a treaty of a community of sovereign states is not the simple matter that it seems to some. The draft that was published recently infringes upon the sovereignty of the republic in many ways and is in need of substantial revision and improvement. But even in this important issue a final decision can only be made after a detailed national discussion of the draft with regard for all opinions and interests. One such form of free expression of the people's will could be a referendum on the question, which could be conducted after parliament adopts the law "On a Referendum." As for the Moldovan SSR Supreme Soviet and the presidential council, they see this document as a treaty of a community of sovereign states based on interstate economic and other horizontal ties. One example cited was that of an agreement concluded with Russia. It was noted that preparations are being made to sign similar documents with the Ukraine, Kazakhstan, and the Baltic republics. Such cooperation is already achieving results: The republic has succeeded in resolving the problem of a shortage of food grain, and there have been other real benefits from this kind of direct cooperation.

The results of the meetings and conversations that took place in the course of the day were summed up to some degree at the Culture House in the village of Tsaul. The meeting was attended by residents of the various population centers of Dondushenskiy Rayon. In their speeches they raised numerous urgent problems on both a republic and local scale. There was discussion of the construction of housing and improvement of labor conditions, the need to increase wages during the transition to a market economy, reduction of the bureaucratic administrative and managerial apparatus, the shortage of teachers of the state language, and ecological and other problems.

In his concluding speech the president of Moldova gave exhaustive answers to all the questions raised that day and explained the position of the parliament on each of them as well as his personal point of view on the solution of specific problems. He noted that the deputies of the Supreme Soviet will have to adopt a package of documents on the transition to a market in the very near future. The problems of the individual regions will also be resolved and the state programs that had been mentioned will be implemented. However the local organs of power should also have full say in this: They should show maximum initiative, actively adopt rulings, and not be afraid to assume responsibility.

In a short exclusive interview for the national radio and the MOLDOVA-PRESS Agency, the president of the Moldovan SSR said in particular:

"I am once more convinced of the usefulness of such meetings. People are alarmed by the sociopolitical situation arising in the republic. It should not be said that there is a great difference between the opinions of residents of Moldovan villages and, for instance, Russians and Ukrainians. They all wish to live in peace and harmony and they understand the situation.

"Although in Maramonovka, for example, there were a few more questions raised than elsewhere. For instance, cases of an impolite attitude toward people at the rayon polyclinic, in particular, were raised. I am ashamed for these medical employees—their attitude toward people deserves condemnation. I think that someone should be brought to account for such violations to the degree that great discrepancies exist between the word and the deed and between the law and the way it is put into practice. We must respect the rights of all people. After all, it is a question of the permanent residents of these localities, and the people have always lived in friendship here. I believe that we will resolve these problems, and therefore I wish all to continue living just as amiably as before, to attend weddings together, to go to each other's churches, and to mark other events as a single family.

"On the whole this grand conversation with the voters gave food for thought and prompted many new ideas. The meetings showed that there are also some discrepancies in the opinions of the people and the members of the parliament. It is possible to delay the adoption of some legislative acts and to speed up others. This especially pertains to laws that have substantial influence on the economy of the country and the implementation of effective control over the distribution of goods for our own consumption.

"But on the whole, people approve of the work of the parliament; more of their wishes pertain to administration in any case: Issues of public health, education, construction, and many other things. Attention should be paid to that. Such meetings should become a compass for the activities of deputies of all levels."

MAJOR CROP PROGRESS, WEATHER REPORTS

Field Work Lags in RSFSR

Decreased Areas, Equipment Support

914B0055A Moscow SELSKAYA ZHIZN in Russian
27 Dec 90 First Edition p 1

Interview with K.I. Suslov, RSFSR Deputy Minister for Agriculture and Food Stuffs, by SELSKAYA ZHIZN correspondent: "Do Not Sow the Fields With Promises"]

[Text] A holiday—the new year—is at hand. And the farmers are truly alarmed. Grain crops, sunflowers, sugar

beets, buckwheat, corn and potatoes are covered by snow and remain unharvested on hundreds of thousands of hectares. Will we succeed in avoiding such tremendous losses in the future? Our correspondent discussed this subject with K.I. Suslov, RSFSR Deputy Minister for Agriculture and Food Stuffs.

[Suslov] I agree that the past harvest was characterized by considerable losses and at times by complete indifference towards the crops. In Penza, Saratov, Volgograd, Voronezh, Lipetsk and Tambov oblasts and also in other regions of the Russian Federation, they were unable to harvest the crops in a timely manner. Many, through force of habit, attempted to blame it upon the inclement weather. Truly, the work was hampered by rainfall. However, the principal cause of the losses in agricultural products was not the rainfall but rather irresponsibility on the part of the ministries and departments in the area of logistical supply for the rural areas.

Notwithstanding a great amount of effort, the farmers were unable to avert these losses—indeed, prior to the commencement of the harvest work, hundreds of thousands of combines needed for harvesting the grain and forage crops, beets and potatoes turned out to be unprepared for the work owing to spare parts shortages.

[Correspondent] What is the explanation for this failure? Indeed, the funds for spare parts deliveries were made available in advance. Does not irresponsibility encourage crude violations of contractual discipline?

[Suslov] Certainly, one can refer to the difficulties of the transitional period, at which time the old structures of the economic mechanism were no longer in operation and the new ones had not yet been created. And this is true. But it is also true that the collectives of the Kiyevtraktorodetal PO [production association] and the Kazakhstan Porshen Plant fell short in their deliveries of important parts—bushings and pistons. They thus deprived the machine operators of the opportunity of carrying out repairs on more than 80,000 engines.

Almost 100,000 caterpillar track vehicles could not be repaired because of fault on the part of the Frolovo Steel Casting Plant, the Pavlodar Tractor Plant PO and the Rubtsovsk Plant for tractor spare parts, which failed to maintain the deliveries of bogie wheels, rocker arms, seals and caterpillar track links.

The reduced production of segments by the Simferopol selmash PO threatens the operation of almost 150,000 harvesting machines and this in turn poses a heavy burden with regard to feed procurement work and the future wintering of livestock.

In the face of such an attitude towards their needs, how is it possible to discuss the confidence of APK [agro-industrial committee] workers in their future operations?

In recent years, the farmers have reduced their potato and vegetable growing areas. Although this was a necessary measure, will it not produce a situation in which the farmers will have to reduce their grain crop sowings: no equipment will be available for tilling the fields or harvesting the crops?

The impending spring period will be a difficult one. First of all, the volumes of field work will increase sharply. Last autumn, many farms failed to sow their fields with winter crops. Thus, they will have to make up the difference with spring crops. But millions of hectares of arable land will have to be tilled before the spring crops are sown—many tracts were not plowed in the autumn and no use was made of fallow fields and hundreds of thousands of hectares of unharvested strips.

According to estimates by specialists, the restoration of machines which were registered as worn out last autumn will require 15-20 percent more spare parts and labor expenditures. In short, a tremendous amount of additional work will have to be carried out on the spring fields.

[Correspondent] The rural residents are alarmed over the fact that there is much talk at many industrial enterprises, ministries and departments regarding pere-storyka and the difficulties being experienced with food goods. It would appear that the people have forgotten the popular saying: timely sowing produces high yields.

[Suslov] Not so much alarmed as indignant! Is it possible to calmly discuss the fact that the industrial enterprises are not increasing but rather reducing their production of spare parts? Thus the leaders of the Gomsel'mash Production Association, in referring to a Belorussian governmental decree, curtailed by 22 percent their deliveries of spare parts despite a contractual agreement. Sverdlovsk machine builders reduced their deliveries of parts for forage harvesting combines. It is by no means an accident that the spare parts funds for next year amount to 86 percent of the level for this present year. The quantities of spare parts allocated for 1991 for GAZ-53 motor vehicles, hydraulic systems for tractors and agricultural machines, feed harvesting equipment and milking units are especially inadequate. The availability of bushing and piston sets and high quality motor oil is even worse. Could this be the result of departmental limitations, instability or anarchy in the national economy?

Thus the plants of Minavtosekhozmash [Ministry of Automotive and Agricultural Machine Building] have reduced by almost twofold their deliveries of air-filter cartridges to the rural areas. It can be said that this is a relatively inexpensive part. However, because of a paucity of them, thousands of machines lie idle and are

unable to be moved out onto the fields. A very serious problem exists in the case of bearings, instruments and emergency repair teams.

The Altay Kurgansel'mash Tractor Plant, Odessapochvomash and the Pavlodar Motor Plant are carrying out their contractual obligations in an especially poor manner. Numerous appeals addressed by the rural workers to the collectives of these enterprises and other plants have fallen on deaf ears.

From the Editorial Board: Accusations were recently addressed against the kolkhozes and sovkhozes: it has been said that they are guilty of allowing the country to experience a severe food crisis and that they are unable even to feed their own people. But how can this be? The mail being received by SELSKAYA ZHIZN contains many letters in which our readers are asking when our government and Supreme Soviet will shift to carrying out certain actions instead of merely discussing the priority development of the agro-industrial complex. Truly, many discussions have been held at the congresses of people's deputies and at plenums of the Central Committee. The forthcoming spring period must not be overlooked during the parliamentary discussions. The fields must not be sown with promises.

Unharvested Crops

914B0055B Moscow SOVETSKAYA ROSSIYA
in Russian 19 Dec 90 Second Edition p 2

[Article from Nizhniy Novgorod: "Winter Harvest"]

[Text] Taking advantage of the minimal snow conditions and frozen soil, the machine operators in the oblast's southern regions have commenced their winter harvesting of grain crops. It turns out that the fine crop developed on an area of more than one million hectares has not been harvested completely. Roughly 85,000 hectares of grain crops remain standing.

The harvested grain will be used for forage. And on the best farms in the oblast—the Krasnaya Zvezda and Vlast Sovetov kolkhozes—yields of up to 40 quintals per hectare, compared to the oblast's average yield of 20.8 quintals per hectare, are being obtained under very unusual conditions.

However, even this fine assistance will improve only slightly the results of the agricultural year now ending. Snow continues to cover large tracts and other crops: 26,000 hectares of corn, 11,700 hectares of potatoes, 3,900 hectares of beets, 5,000 hectares of flax and 370 hectares of vegetables. The causes are varied: prolonged rainfall, insufficient assistance from city-dwellers and weak technical equipping of the farms. And there was also a lack of interest and an absence of elementary discipline at all levels of the agro-industrial complex.

POLICY, ORGANIZATION

Moscow: Sell Meat, Get Special Purchase Coupons

914D0106A Moscow SELSKAYA ZHIZN in Russian
8 Jan 91 p 2

[Article by V. Degtyarev under the rubric "Commercial News": "At the Markets of Moscow"]

[Text] A conference took place at the executive committee of the Moscow Soviet to examine questions of the organization of the meat trade at the city's markets.

It was decided to open specially equipped points for the reception of meat from rural residents and other interested people at a price of six rubles per kilogram at the Baumanskiy, Danilovskiy, Preobrazhenskiy, and Tsentralnyy Markets beginning 5 January 1991.

Apart from money, the people delivering meat to these points will be able to receive special coupons giving them the right to purchase appliances, mixed fodders, and other goods in short supply.

"And in which stores can they purchase the goods indicated on the coupons for the meat they have handed over?" We asked the Moscow Soviet Executive Committee for an answer to this question.

This is what they told us. Motorcycles may be purchased in the Kvant Moscow State Production Association store (21 Novokhokhlovskaya Street); refrigerators—in the Kvant Moscow State Production Association store (44 Svoboda Street); color televisions—in store No 55 of the Moscow organization for Trade in Goods for Cultural Purposes (98 Shchelkovskoye Boulevard); sewing and washing machines and vacuum cleaners—in store No 35 of the Moscow Organization for Trade in Electrical Appliances, Machines, and Materials (18 First Vladimirovskaya Street); rugs, clothing, footwear, and a number of other goods—in stores No 24 and No 50 of the Moscow City Department Store Trade Organization (at Tsentralnyy and Leningradskiy markets); heavy appliances—in store No 34 of the Moscow City Union of Consumer Societies (59 Ninth Parkovaya Street); clothing and other goods—in the stores of the Moscow City Union of Consumer Societies at Baumanskiy, Danilovskiy, Preobrazhenskiy, and Central Markets. And, finally, mixed fodders—in the stores at 5 Tyurin Street, 63 Second Likhovskiy Road, and 5 Verkhniye Likhobory Street.

FOOD PROCESSING, DISTRIBUTION

Sugar Workers Defend Production, Question Distribution

914D0123A Moscow OGONEK in Russian No 51,
15-22 Dec 90 p 25

[Letter from G. Shevchuk, candidate of economic sciences, in the name of the employees of the economics department of the VNIISP, published under the rubric "OGONEK Mail"]

[Text] We, sugar refining specialists, do not understand the sugar situation in the country. Those leaders who are trying to explain it, including the Supreme Soviet, do not seem to understand it either. One gets the impression that someone is cheating them and the people. According to our data, sufficient sugar is being processed in the country. But if that is the case, one must ask where the sugar is.

Permit me to quote some figures which we, the specialists, have at our disposal.

The minimum volume of production was in 1976 at 9.249 million tons—36 kg per person—whereas per capita consumption that year was 41.9 kg. Less sugar was consumed only in 1975—40.9 kg; all the other years the per capita consumption of sugar was 42 kg or more. The maximum production of sugar was in 1987 at 13.7 million tons—48.3 kg per person. That same year consumption was also at a maximum—47.2 kg per person. In 1988 it was 46 kg and in 1989 it declined to 42.5 kg even though there was more produced (44.5 kg) than in 1988 (42.2 kg).

It should be noted that precisely during that period when production of sugar was at a maximum (1986—12.7 million tons, 1987—13.7 million tons), vouchers were introduced for it. In the preceding years, when less sugar was produced, the demand for it was satisfied in full without rationing through the use of vouchers.

At the present time approximately half (about 20-24 kg) of all sugar being consumed is sold through a voucher system, and the market fund is 65-68 percent of the volume of the general consumption fund.

The data also testify to the fact that the volume of consumption of sugar by the population over the last 15 years has practically not changed and that it is fully satisfied through the production of sugar from domestic and imported raw materials; they do not explain the absence of sugar for free sale. This can only be explained by data on the structure of sugar consumption of the USSR Ministry of Trade, which is the holder of all funds of this product.

The fact that interruptions in the supply of sugar to the population is not connected with its production is proven by numerous instances of idled sugar factories because of full warehouses. Reports on such cases were already appearing in the press 7-10 days after the beginning of the production season. Such cases also took place last year.

Sugar from the previous season was found in individual factories and warehouses at the beginning of the 1990 production season, although according to the rules warehouses should be cleaned out and prepared to receive the output from the processing of beets of the new harvest.

So why is there no sugar in the stores, even with vouchers? We, the employees of the All-Union Scientific Research Institute of the Sugar Industry (VNIISP), cannot answer that question inasmuch as we are not given access to the appropriate information.

[Signed] G. Shevchuk, candidate of economic sciences, in the name of the employees of the economics department of the VNIISP, Kiev.

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	Potatoes		Fresh cabbage		Beef		Eggs (per dozen)	
	1989	1990	1989	1990	1989	1990	1989	1990
Moscow	0.94	1.52	1.36	2.00	9.13	22.73	2.13	9.50
Leningrad	0.63	1.70	1.17	1.90	9.70	24.00	3.50	6.20
Nizhniy Novgorod	0.81	1.15	0.95	1.70	6.88	14.75	1.60	5.00
Novosibirsk	0.75	0.75	1.03	2.00	4.80	9.63	1.50	4.00
Sverdlovsk	0.60	0.70	-	2.00	7.00	14.00	-	-
Saratov	1.00	1.93	0.80	0.90	5.67	8.00	1.50	4.50
Tula	0.70	1.00	0.70	0.90	8.00	15.00	1.50	4.00
Rostov-na-Donu	0.60	1.25	0.80	0.75	4.62	8.67	1.30	3.17
Krasnodar	0.80	1.30	1.00	1.00	6.00	10.00	1.30	3.00
Stavropol	0.70	1.20	1.00	1.00	5.00	8.00	1.00	2.50
Vladivostok	1.25	1.50	2.00	3.00	6.00	15.00	2.00	-
Khabarovsk	0.70	1.00	1.00	1.00	6.00	12.00	-	-
Ryazan	0.60	1.00	0.60	1.00	6.00	15.00	1.50	4.00
Belgorod	0.50	0.70	0.40	1.30	4.00	7.00	1.60	2.50
Volgograd	0.80	1.30	1.00	1.50	5.00	10.00	1.40	5.00
Kuibyshev	0.85	1.38	1.07	1.13	6.80	12.00	1.35	3.25
Kaliningrad	0.40	0.70	0.30	1.40	5.00	10.00	-	2.00

Above figures in rubles and kopecks

Growth in the prices for beef is being observed in all areas. Compared to November 1989, they increased by more than 50 percent. In 76 of the republic's cities (out of 131), where records are being kept, beef was sold at a price higher than 9 rubles per kg. The highest price for beef (24 rubles per kilogram) was recorded in Leningrad.

Throughout the RSFSR as a whole, the prices for eggs in November increased by more than twofold compared to those for November of last year. In 67 of 92 cities (73 percent), eggs were sold for 2 rubles and 50 kopecks or more per dozen. The highest price level for eggs (9 rubles and 50 kopecks per dozen) was observed at markets in Moscow.

During the mentioned period, the average price for potatoes and fresh cabbage increased by one half. As of

RSFSR Kolkhoz Market Price Rises Detailed

914D0098A Moscow RABOCHAYA TRIBUNA
in Russian 1 Jan 91 p 2

[Report by RSFSR State Committee On Statistics: "How Much at the Municipal Kolkhoz Markets?"]

[Text] The rapid growth in prices at municipal kolkhoz markets is continuing. During the period from January to September 1990, they increased by 29 percent compared to the same period for 1989, in October—by 47 percent, and in November—by more than one half.

The following data (for 22 November 1990) describes the changes in prices for some agricultural products at markets in large cities throughout the RSFSR:

	Potatoes		Fresh cabbage		Beef		Eggs (per dozen)	
	1989	1990	1989	1990	1989	1990	1989	1990
Moscow	0.94	1.52	1.36	2.00	9.13	22.73	2.13	9.50
Leningrad	0.63	1.70	1.17	1.90	9.70	24.00	3.50	6.20
Nizhniy Novgorod	0.81	1.15	0.95	1.70	6.88	14.75	1.60	5.00
Novosibirsk	0.75	0.75	1.03	2.00	4.80	9.63	1.50	4.00
Sverdlovsk	0.60	0.70	-	2.00	7.00	14.00	-	-
Saratov	1.00	1.93	0.80	0.90	5.67	8.00	1.50	4.50
Tula	0.70	1.00	0.70	0.90	8.00	15.00	1.50	4.00
Rostov-na-Donu	0.60	1.25	0.80	0.75	4.62	8.67	1.30	3.17
Krasnodar	0.80	1.30	1.00	1.00	6.00	10.00	1.30	3.00
Stavropol	0.70	1.20	1.00	1.00	5.00	8.00	1.00	2.50
Vladivostok	1.25	1.50	2.00	3.00	6.00	15.00	2.00	-
Khabarovsk	0.70	1.00	1.00	1.00	6.00	12.00	-	-
Ryazan	0.60	1.00	0.60	1.00	6.00	15.00	1.50	4.00
Belgorod	0.50	0.70	0.40	1.30	4.00	7.00	1.60	2.50
Volgograd	0.80	1.30	1.00	1.50	5.00	10.00	1.40	5.00
Kuibyshev	0.85	1.38	1.07	1.13	6.80	12.00	1.35	3.25
Kaliningrad	0.40	0.70	0.30	1.40	5.00	10.00	-	2.00

22 November, the average price for one kilogram of potatoes, one ruble or higher, was recorded at markets in 68 of 147 cities and that for fresh cabbage—73 of 106 cities.

Bread, Milk, Meat Price Hikes Ordered in Latvia

Text of Decree

914D0116A Riga SOVETSKAYA MOLODEZH
in Russian 19 Dec 90 p 3

[Draft of Decree by the Latvian Republic Council of Ministers, presented by the Chairman of the Latvian Republic Council of Ministers and the Latvian Republic Minister of Legal Affairs, Riga, December 1990: "On

Monetary Payments to the Population in Connection With the Introduction of New Retail Prices for Bread, Milk, Meat and Products Made From These Items"]

[Text] With the goal of maintaining social security for the republic's population while introducing new retail prices for bread, milk, meat and products made from these items the Latvian Republic Council of Ministers resolves:

1. To increase wages for workers by 66 rubles per month at their main place of employment.

In educational institutions and health, cultural and other facilities financed out of the republic budget, wages are increased by means of assets from the state budget.

In all other enterprises, in organizations and in cost-accounting facilities, wages are increased by means of the assets of these enterprises, organizations and institutions.

The directors of enterprises, organizations and institutions are to be supplied with accounts concerning mandatory compensation of workers and its issuance.

2. To introduce monthly payments from the budget for families with children:

2.1. For each child up to the age of 8 years—40 rubles; from 8-15 years—50 rubles;

2.2. For each student at a public school over the age of 15—50 rubles.

To maintain the existing monthly allowance of 50 rubles for each child from the age of 3 years until school-age, but no longer than to the age of 7, if the child does not attend a children's facility (the allowance is provided as a supplement to that established in subpoint 2.1.).

3. To pay from the budget monthly allowances to mothers who:

3.1. Are caring for children up to the age of 1.5 years—100 rubles;

3.2. Are caring for children from the age of 1.5 to 3 years who do not attend a children's preschool facility—70 rubles.

With the introduction of the allowances mentioned in items 2 and 3 of the current resolution, all previous allowances for the raising of children indicated in previous approved resolutions of the government of the Latvian Republic are revoked.

Allowances for children are paid out at the place of work to the mother or to the individuals who are replacing her. If the mother is not employed, these allowances are paid out by the department of social security of the rayon or city executive committee. Allowances that are paid in connection with the fact that the child does not attend a children's preschool are paid out only by the department of social security.

4. To establish a monthly allowance of 46 rubles for non-working retirees in addition to their pension according to age, which is paid to them according to the Latvian Republic's Law, "On State Pensions." The requirements expressed in item 1 of the current resolution apply to working retirees.

5. To increase by 45 rubles per month scholarships to students at institutions of higher education, graduate students, students of secondary special educational institutions and vocational-technical institutes that are not dependent on state support.

6. The finance ministry is to plan allocations of 55 million rubles from the 1991 state budget to cover increased payments to hospitals, social security full board and lodging facilities, boarding schools and children's homes.

7. By 1 January 1991 the Ministry of Social Security and Ministry of Finances are to develop, together with other interested organizations, instructions on the order for providing monetary payments as established in the present resolution.

8. Beginning in January of 1991 the State Statistical Committee will secure registration of prices for consumer goods and rates for services and calculations of price indices for consumer goods. It will also provide published information on these questions.

9. The Ministry of Economics, Ministry of Social Security, Ministry of Finances and State Statistical Committee, taking into consideration the results of the increase in the price index for consumer goods and compensation in the first quarter of 1991, are to make an analysis of changes in the levels of the standard of living and to provide the Latvian Republic Council of Ministers with proposals concerning indexing the population's monetary income.

10. The resolution becomes effective on 3 January 1991.

Prices Listed

*914D0116B Riga SOVETSKAYA MOLODEZH
in Russian 19 Dec 90 p 3*

[Latvian Republic Council of Ministers Draft Decree, Riga, December 1990, presented by the Chairman of the Latvian Republic Council of Ministers and the Latvian Republic Minister for Legal Affairs: "On Retail Prices for Bread, Milk and Meat"]

[Text] In order to coordinate supply and demand during the transition to a market economy, to eliminate speculation with food products and to limit the sphere of operations of the black market economy, it is essential to eliminate subsidies from the state budget and at the same time to direct these assets to the population for disposal. This will enable us to decrease unregulated export of meat and dairy products out of the republic and will provide incentives for producers to expand their assortment and to increase product quality according to price.

With the goal of providing an adequate and accessible selection of food products in stores, the Latvian Republic Council of Ministers resolves:

1. In order to cover production and sales expenditures, beginning 3 January 1991 to establish maximum retail prices for bread and bread and roll products, milk and dairy products and meat and meat products (Addenda).
2. The Ministry of Economics is to confirm, within a 10-day period, the new current prices and to supply them to interested enterprises and organization.

3. The Ministry of Trade, Latpotrebsoyuz [Latvian Union of Consumers' Societies], the Ministry of Agriculture and the rayon or city executive committees are to reevaluate the remainder of corresponding food products.

4. The Ministry of Finances is to allocate in 1991 64 million rubles from the state budget to compensate for prices for oil, sausages and polony.

Addenda

Average Maximum Retail Prices (Rubles per kilogram)

Name	Existing Price			New State Retail Price	
	State Retail Price	Commission Price			
		Contract Price	Cooperative Price		
Grain and Grain Products					
Rye bread (baked in a hearth)					
Senchu, 0.94 kg	0.24	—	—	0.76	
Melderu, 0.9 kg	0.24	—	—	0.66	
Podovoy, 1 kg	—	—	—	—	
Rye and wheat mixed bread (baked in a hearth)					
Rossiyskiy, 0.85 kg	0.22	—	—	0.58	
Gorodskoy Kislo-sladkiy [sour-sweet], 0.5 kg	0.18	—	—	0.50	
Kislo-sladkiy, 1 kg	—	—	—	—	
Ruyiyenskiy, 0.7 kg	0.44	—	—	0.84	
Form bread					
Rossiyskiy, 0.85 kg	0.20	—	—	0.53	
Darnitskiy, 0.9 kg	0.20	—	—	0.56	
Darnitskiy, 0.72 kg	0.16	—	—	0.48	
Wheat bread					
White bread baked in a hearth					
—Highest quality	0.40	—	—	0.74	
—Quality I, 0.5 kg	0.18	—	—	0.44	
—Quality II, 0.85 kg	0.22	—	—	0.66	
White bread, form					
—Highest quality, 0.7 kg	0.34	—	—	0.64	
—Quality I, 0.75 kg	0.24	—	—	0.62	
Loaf bread, 0.5 kg	0.22	—	—	0.54	
Kuntsev roll, 0.05 kg	0.03	—	—	0.07	
Dairy Products					
Peasant butter	3.40	—	—	10.00	
2.5 percent milk in glass bottle, 1 kg	0.22	—	—	0.62	
6 percent milk in glass bottle, 0.5 kg	0.22	—	—	0.69	
2.5 percent kefir in glass bottle, 1 kg	0.22	—	—	0.63	
9 percent cottage cheese in wax paper, 0.25 kg	0.21	—	—	0.70	
Cottage cheese, 1 kg	—	—	—	—	

Average Maximum Retail Prices (Rubles per kilogram) (Continued)

Name	Existing Price			New State Retail Price	
	State Retail Price	Commission Price			
		Contract Price	Cooperative Price		
Defatted cottage cheese in wax paper, 0.25 kg	0.13	—	—	0.19	
35 percent cream in glass bottle, 0.5 kg	1.02	—	—	3.29	
25 percent sour cream in glass bottle, 0.5 kg	0.67	—	—	2.31	
Russian cheese	2.90	—	—	8.60	
Dutch cheese	2.90	—	—	7.60	
Zemgalskiy cheese	2.30	—	—	8.10	
Cheese with caraway seed	1.20	—	—	3.70	
Iyetsavskiy cheese	1.70	—	—	5.00	
Cuts of Beef					
Highest quality					
Sirloin cut, short loin cut, shoulder cut	1.90	3.50	—	12.20	
Quality I					
Rib-short plate cut, brisket cut	1.90	3.50	—	7.20	
Neck cut	1.50	3.50	—	7.20	
Quality II					
Front shank, back shank	0.50	3.50	—	3.00	
Flank	1.50	1.50	—	3.00	
Quality III					
Lower part of the back and front shanks	0.50	1.50	—	0.50	
Throat	0.50	1.50	—	1.00	
Cuts of Pork					
Category I (Cuts with skin)					
Quality I					
Ham, loin cut	2.00	12.00	—	10.20	
Quality II					
Shoulder cut, spareribs, flank cut	2.00	6.30	—	7.30	
Quality III					
Throat, salt pork	2.00	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Category II (skinless cuts)					
Quality I					
Ham, loin cut	1.80	12.00	—	10.40	
Quality II					
Shoulder cut, spareribs, flank cut	1.80	5.40	—	7.10	
Quality III					
Throat, salt pork	1.80	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Category III (skinless cuts)					
Quality I					

Average Maximum Retail Prices (Rubles per kilogram) (Continued)

Name	Existing Price			New State Retail Price	
	State Retail Price	Commission Price			
		Contract Price	Cooperative Price		
Ham, loin cut	2.00	6.30	—	8.40	
Quality II					
Shoulder cut, spareribs, flank cut	2.00	5.40	—	5.50	
Quality III					
Throat, salt pork	2.00	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Veal, lamb and goat meat will be sold according to free-floating prices					
Chickens (chicks) and broiler chickens, partially drawn	2.50	4.90	—	5.00	
Chickens (chicks) and broiler chickens, drawn	3.20	4.90	—	6.50	
Chickens (chicks) and broiler chickens with processed viscera	2.80	4.90	—	5.90	
Sausages					
Doktorskaya sausage, highest quality	2.20	—	—	12.30	
Yuzhnaya sausage, Quality I	1.80	—	—	7.10	
Dairy frankfurters	2.50	—	—	7.30	
Polony	2.00	9.10	—	7.50	
Latvian blood sausage	0.76	—	—	1.50	
Liver sausage, regular	1.7	—	—	3.90	
Daugavpilss semi-smoked sausage	4.00	—	4.00	8.00	
Tbilissi semi-smoked sausage	3.30	—	6.00	15.50	

Azerbaijan CP Official Calls for Strict Supply Distribution of Food

914D0118A Baku BAKINSKIY RABOCHIY in Russian
2 Dec 90 pp 1, 2

[Interview with F.E. Musayev, secretary of the Azerbaijan Communist Party Central Committee, by AZERINFORM correspondent: "Food Resources Adequate. Strict Control of Their Distribution Needed"]

[Text] A conference was held last week in the Azerbaijan Communist Party Central Committee. There they discussed questions of the provision of food to the population and preparations for the winter. Despite what would appear to be a traditional agenda, the convocation of the present conference was dictated by circumstances that, without exaggeration, are extreme in nature. In the republic itself as well as in the country at large, we are seeing a shortage of essential food products: meat, dairy products, flour, grits, eggs, etc., which quite naturally gives rise to a mood of dissatisfaction among the people. The onset of the winter period may greatly exacerbate the situation: many questions in the provision of power to Baku and a number of regions of the republic have not been resolved and the firing up of boiler rooms and the preparation of heating systems began late this year.

In discussing these problems, what conclusion was reached by those participating in the conference in the Central Committee? Is there hope that the coming winter will not be another one of the severe tests that have so often been our fate recently? This was the subject of the conversation between the AZERINFORM correspondent and F.E. Musayev, secretary of the Azerbaijan Communist Party Central Committee.

"I would not encourage too much optimism but I will present just one figure that speaks very elegantly," stated Fuad Enverovich at the beginning of the conversation. "In the first 10 months of this year, the republic's egg stocks have been overfulfilled by more than 21 million eggs. Almost this entire above-plan amount went to Baku. But you know very well what the true situation is with respect to eggs: it is now extremely difficult to find them not only in the stores of the capital city but often in the market as well, where 10 eggs sell for five rubles.

"In the first 10 months of this year, by the way, more grits and macaroni products were stocked than in the same period of last year. They are also absent in free trade, however. Baku received almost 800 tons of butter more than last year but it is not available either."

[AZERINFORM] What happened, did speculative demand once again play an evil joke?

[Musayev] Of course this happened too. But here there is a whole bouquet of interrelated problems that we brought out when we analyzed the situation. It must be said that we are doing a poor job of accumulating stocks for a large number of kinds of foods. Take meat, for example, where 88.8 percent has been acquired. That is, deliveries are short by 11,600 tons. Part of this quantity is due to Gosagroprom (4,300 tons) and part to the poultry industry (7,200 tons). The shortfall under subsidies was 2,500 tons. Milk stocks are 82 percent acquired. The delivery shortfall by the Ukraine amounts to 59,700 tons of flour and this is more than 90 percent of its obligations for the first 10 months. The flour situation is especially tense: it is only a four-day supply. We are provided with barely over half [of the required amount]!

In short, we are seeing economic ties disintegrate. Essentially the ukase of the president of the USSR on urgent measures for their stabilization is not working. And here, of course, there are reasons for concern....

But let us try to look at the problem from the other side. For, as a rule, most of the stocks that have been released reflect a real need of the population of the republic for different kinds of food. And that quantity falling short of the plans should in no way have led to the situation that we are now observing.

[AZERINFORM] How do you explain it?

[Musayev] The basic question is how the available supplies are delivered to the consumer. Today, unfortunately, essentially no one is monitoring this.

Here is an example: there is no meat or chicken in the stores—at best, the coupons are used for canned stewed meat. But if you go into any restaurant or public catering cooperative, they will give you all kinds of shashlik. Here they are just warming their hands on the shortages! Please tell us where the cooperatives are getting so much meat and poultry? Their number is growing like mushrooms after a rain and not one of them has its own subsidiary farm. It is rare that anyone has a contract with private farmsteads. It is clear that a significant share of state resources are flowing here.

The situation with flour is analogous. The republic's Ministry of Grain Products created a countless number of so-called "company" stores for the baking of bread, and private persons trade in bread on every corner. It is they who are pilfering the stocks of flour intended for sale to the population. There is no flour, but surplus bread is being used to feed livestock! But to a certain extent, flour in the home compensates for the shortage of meat: they use it to prepare a dozen dishes of our national cuisine.

Here they have also reduced processing capacities: there is grain—stocks of it for three months—but there is no place to grind it.

And what is happening with cigarettes? There is open speculation but law enforcement agencies and local soviets appear not to notice this....

[AZERINFORM] As far as I know, the Central Committee specified a program of measures to normalize the food situation in the republic....

[Musayev] Yes, we worked out our own proposals based on the experience in the work of party bodies of the republic. As of today, unfortunately, the local soviets do not yet possess real instruments of authority. The economic tools on which so many hopes had been placed are not working either.

It is clear that these are, as they say, temporary difficulties having to do with the transition to new administrative structures. But the existing situation requires urgent measures: it is necessary to feed the people. It is no accident that the situation in the country was put on the agenda for the session of the USSR Supreme Soviet. And we cannot sit by idly in the expectation that everything will come about by itself.

[AZERINFORM] What measures is the Central Committee proposing to stabilize the food situation? Is there hope that they will be realized? After all, today not even presidential ukases are being carried out.

[Musayev] Here, of course, not the least role must be played by public opinion, especially primary party organizations, the working class and the aktiv of deputies, and, in general, by all of us being imbued with a consciousness of the unusual nature of the situation and with the understanding that if today we do not put pressure on those who are indulging the dealers and speculators and showing disdain for their duties and party card, then ultimately we will only exacerbate the prevailing chaos from which we are all suffering.

Among the operational measures, we are proposing prohibiting enterprises from arbitrarily exporting food commodities produced in the republic, with the exception of interrepublic deliveries. Although here as well, we think, there is room for maneuvering: we are proposing the study of the possibilities for the reduction of exports of products in interrepublic deliveries in the month of December and of utilizing the freed resources as an exchange stock for food. We also consider it necessary to prohibit the release to cooperatives of all kinds of food through state resources and the temporary banning of deliveries of poultry and eggs to company stores of the poultry industry, concentrating all of this output in the stores of state trade and consumer cooperatives. It is temporarily expedient to concentrate all basic kinds of food, including meat, butter, and dairy products in the state trade system.

It is also necessary to put in working order all water and mechanical mills in the rayons so as to limit the delivery of flour to the rayons from Baku. This will make it possible for us to ensure the standard supply of flour at bread-baking enterprises. Considering that rice is the

most widely consumed product in our republic, we are proposing that we increase its deliveries to the republic at the expense of stocks of other hulled products that are less popular here.

It is likewise essential to set, in the first place, a standardized distribution of commodities to particular hands and to establish deputy posts at all trade facilities, depots, flour-milling combines, and other enterprises producing food products. It is also necessary to control the movement of food freight on the railroads. Overall one should tighten up measures to protect food freight.

For operational review of the problems having to do with food, it is essential to establish a republic commission. Analogous commissions must be established in the rayons.

All of these measures, of course, must be supported by the strictest control on the part of public opinion and on the part of law enforcement agencies. I must say that the Azerbaijan Communist Party Central Committee is greatly concerned about the position taken in this matter by the party gorkoms and raykoms: essentially they are taking no action. Nor are the soviets of people's deputies performing the functions of their authority: there is complete indifference toward everything that is happening all around! They occupied some easy chairs and were satisfied with that. But they were elected by the people! What are they counting on?

I wish to note that the Central Committee will most strictly call to account the secretaries and leaders of local authorities—all those who still have a party card in their pocket—for the nonperformance of their duties and above all for not wishing to help establish order in the provision of the population with food. Today this must be a matter of primary importance for every communist and especially for those who have been given a certain amount of authority.

[AZERINFORM] We would like to believe that all of this will help establish order in a short time. Especially since a ukase was issued by the president of the USSR on strengthening working control for the purpose of establishing order in trade and representatives of this body have now been given the broadest powers.

But we are all still concerned about the coming winter. Fortunately, the weather is still cooperating.

[Musayev] Yes, the forecasts for this winter make one stop and think. It is expected that the shortage of electric power in Transcaucasia will be 600,000 kilowatts. The situation with respect to the provision of gas and heat is not the best. We have analyzed the situation in this connection as well and we know all of the sore points. It is now necessary to mobilize all human resources and technology, especially to accelerate work in preparing heating systems, which was greatly delayed in getting started this year throughout the republic. After the conference in the Central Committee, by the way, many shortcomings in Baku have already been overcome. In

this connection, we again do not sense the proper concern of local soviets about these problems. Many boiler rooms have not yet been activated in Baku. Many schools, kindergartens, and departmental buildings are without heat. Not to mention the fact that throughout the republic the introduction of new capacities and the schedule for the conclusion of capital repairs at large facilities for the supplying of power and heat is being disrupted.

Participating in the conference that we held were heads of all interested ministries and departments and representatives of local authorities and law enforcement agencies. They have all been given specific tasks in the prompt adoption of measures. They must inform the Central Committee on their execution within a few days. In particular, we expect a report from Gosagroprom on what measures have been taken for the unconditional performance of the plans for the delivery of food. I think that we will be able to influence the situation and significantly alleviate the situation in the republic's consumer market.

[AZERINFORM] We fully share your hopes and therefore we wish you success in the work that we have begun

GOODS PRODUCTION, DISTRIBUTION

RSFSR Agroprom Statistics Show Hunger No Threat for 1991

914D0104A Moscow ARGUMENTY I FAKTY
in Russian No 1, Jan 91 p 2

[Article by V. Nefedov, chief of the directorate for statistics of the agro-industrial complex of the RSFSR State Committee for Statistics and candidate of economic sciences, under: "Where There Is Private Ownership of the Land, There Is No Hunger" rubric: "Is Hunger Threatening Russia?"]

[Text] Unfortunately, such a question is now being asked frequently, although there was much talk in the summer about an unprecedented harvest. How much food was produced in the Russian Federation last year and is there enough of it for the winter?

Overall for the RSFSR, the production of gross agricultural output declined by three percent relative to 1989 in comparable prices. A rather large harvest of grain crops was brought in: 127 million tons bin weight and 116.8 million tons storehouse weight (after processing), which is 11 percent more than in 1989.

The volume of milk production was at about the level of 1989—56 million tons—as was meat production (10 million tons dressed weight). At the same time, the production of eggs declined by three percent, amounting to 47.5 billion eggs. The republic's industry increased the output of food products somewhat.

As for the "second bread"—potatoes—the harvest was 31 million tons, or 8 percent less than in 1989. They dug

10.5 million tons of tubers at public farms and the remaining 20.5 million tons (66 percent of the total harvest) at farms of the [private] population.

On the average, 79 quintals of potatoes were harvested from each hectare in the public sector, whereas for the private population the harvest was 114 quintals per hectare on similar lands and under the same weather conditions, without a lot of commotion, extreme measures and the involvement of extra workers in the harvest. The total harvest of vegetables was 10.3 million tons, sugar beets 30.6 million tons, and sunflower seeds 3.4 million tons, which was 8, 18 and 10 percent less than a year ago, respectively.

Calculations show that the production of agricultural output in Russia, taking into account food imports, will be sufficient to ensure a per capita consumption in 1991 that is not below the level of previous years.

So there is no justification for talk about impending hunger, although a tense situation has developed in the food market. The practice of the rationed distribution of basic food products is expanding. Despite the fact that 1990 deliveries of food products to trade from state resources were almost equal to the level of 1989 and those of grits, macaroni, candy, tea, herring, canned fish and edible fat even increased somewhat, many products came to be in very short supply. The people who have been standing in lines have no confidence in tomorrow and are stocking up on food.

On the average for the republic, according to the latest survey, personal stocks of macaroni products were sufficient for 40 days, rice and sugar for 50 days, and flour and grits for three months in terms of average per capita consumption, which is significantly more than a year ago.

Moscow, Leningrad, Sverdlovsk, Chelyabinsk and other industrial centers were in an especially difficult situation. The difficulties in supplying the population with food products are largely related to the fact that under the conditions in which the previous administrative-command measures are not operating and the attempts to apply new measures—economic measures, including the introduction of new purchase prices, "Harvest-90" checks, purchases of grain for foreign exchange and the countersale of material and technical resources—are not having the desired effect, great problems arise in the formation of state food resources and there is a breakdown of deliveries between republics, krays and oblasts.

The farms [khozyaystva] of the RSFSR sold 34 million tons of grain to the state (71 percent of the state order). This amounts to only 28 percent of its gross harvest. There were significant reductions of sales of potatoes and fruit and vegetable output. The farms fulfilled less than half of their contractual obligations for the sale of potatoes, 78 percent for vegetables and 56 percent for fruit and nuts, although the resources were available in many regions. They did not fulfill the state order for the

delivery of potatoes, vegetables and fruit to Moscow, Leningrad and other industrial centers and rayons of the Far North.

Major destabilizing factors are the abuses in the entire chain of the food supply, cases of economic sabotage, serious failures in organizing the transportation of food products and the unloading of railroad cars, the creation of an artificial shortage and speculation.

With the exception of losses that unfortunately are large, the products produced in the republic will end up on people's tables one way or another. But the channels through which they reach the consumers will change somewhat. In connection with the reduction of the quantity of potatoes, fruit and vegetables in state resources, people will have less opportunity to acquire these products at relatively low prices in state trade and will more often buy them at higher prices in consumer cooperatives and at kolkhoz markets. Prices in the markets will rise sharply because of the increase in demand for food and the higher purchase prices for grain, livestock and poultry. They are also being raised artificially. High prices put people with low incomes in a difficult position, especially pensioners and families with many children.

In Russia, there are 1.5 hectares of agricultural lands per capita (0.5 to 0.7 hectare in Bulgaria, Hungary, Yugoslavia, Poland, France and Finland and 0.3 hectare in Great Britain). Only two percent of the total area of agricultural lands is in private plots (0.03 hectare per inhabitant of the republic). They provide 22 percent of the gross output. For this reason, as soon as possible one should freely turn the land over to ownership by all citizens wishing to be involved in farming as well as horticulture and gardening. After all, Russia has an enormous potential that allows it to resolve the food problem in a short time. All of this will help to stabilize the situation in the society and to establish a calm atmosphere for the formation of a market infrastructure.

Conversion: Estonian Uranium Plant To Produce Consumer Goods

91440336A Tallinn MOLODEZH ESTONII in Russian
20 Nov 90 p 1

[Report by ETA correspondent F. Kaazik: "Conversion Sillamyae Style"]

[Text] Uranium production has ceased at the Sillamyae Chemical-Metallurgical Association. The premises have been emptied of equipment. Some of it has gone for scrap and scrap metal, some is to be decontaminated. According to the chief engineer at the association, Valentin Sushko, by the end of the year everything should have been completed. The available premises will be used for the production of goods for the national economy.

What does this conversion mean for the enterprise? First of all a switch to the production of output to satisfy the

consumer—permanent magnets, catalysts, artificial emeralds, fabric for air filters, respirators, fertilizer, components for the manufacture of paints. V. Sushko names many enterprises in Estonia as consumers—the Pyussi Wood-Particle Board Plant, "Vazar," the Maardu Plant, collective and state farms. Incidentally, permanent magnets are a very promising product, and in this field cooperation is under way with a West German company, using local raw materials. This output is essential for everyone who produces domestic instruments. It is planned to produce boxes for video cassettes in cooperation with a company in the United States.

Interest in Sillamya's new peaceful output is also being shown in the Soviet Union, and all necessary conditions exist for successful barter. V. Sushko believes that Estonia could obtain goods from virtually every republic for the association's output. The enterprise is still subordinate to the Union Ministry of Atomic Energy and Industry. In answer to the question of how relations are being set up with the Estonian Republic, V. Sushko replied diplomatically that there is a certain amount of caution vis-a-vis the enterprise here. In his opinion, the Estonian Government is underestimating the capabilities in Sillamya. Moreover, at this time the association is firmly tied to the Union ministry in matters of supplies. In the event that there is a move to separate the enterprise, it could be converted, for example, into a joint-stock company. Perhaps then it will be easier to find a common language. For the time being a course has been set toward expanding cooperation with enterprises in Estonia. Does the secret nature of the enterprise interfere with the work? In the opinion of the chief engineer there is no difficulty. Of course, every enterprise has things about which they do not speak aloud, for example, prime costs. For it is, after all, a matter of competition, particularly in the foreign market. And the people in Sillamya do have such a market.

PERSONAL INCOME, SAVINGS

Statistics Show Poor Growing Poorer

914D0084A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 15 Dec 90 p 2

[Unattributed article: "And the Poor Are Growing Poorer"]

[Text] According to one of the laws of economics, the lower the income someone has, the larger the part of that income that someone has to spend on food.

As we have been informed by the Goskomstat [State Committee for Statistics] and the VTsSPS [All-Union Central Council of Trade Unions], about 45 million people in our country have an income below 70 rubles [R] a month, 71 million people have an income of about R100 per capita. Meanwhile, the figure of the subsistence minimum—the so-called "poverty threshold"—is computed differently by different organizations.

The Goskomstat sets it at R85 a month (last year it was R78).

Trade unions raise this level to R99 (considerably higher in Moscow), as they think that, apart from the inflation rate, one has also to account for harmful, but hard to get rid of, habits (about 70 million people in the country smoke, for instance.)

The Institute of Population and Social Studies sets this minimum at R90—R95. According to its data, the average income of our white-and blue-collar workers increased in 1989 by eight percent, the income of peasants increased by seven percent. However, the inflation rate was 7.5 percent. So, the number of low income people will not diminish in the nearest future. And such people (with per capita income of under R100) make up almost 28.3 percent of the entire population.

The Goskomstat informs us that prices rose in 1989 two or two and a half times on an average. For the low income people that increase was 5.6 percent higher, in small towns especially.

It is obvious that these are the people of the "risk group" that will be the first ones affected by the worsened food situation.

Insurance Payments Into Pension Fund Described

914D0113A Moscow IZVESTIYA in Russian 7 Jan 91
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[Article: "About Contributions to the Pension Fund of the USSR"]

[Text] The USSR Council of Ministers confirmed the conditions and procedure for compulsory insurance payments to the USSR Pension Fund by citizens.

In accordance with the Law of the USSR "On the Provision of Pensions to Citizens of the USSR" and the decree of the USSR Supreme Soviet "On the Procedure for the Introduction of the Law of the USSR 'On the Provision of Pensions to Citizens of the USSR,'" compulsory payments to the USSR Pension Fund are set at one percent of wages.

Compulsory insurance contributions must be paid by all categories of citizens subject to state social insurance in accordance with prevailing legislation.

The insurance contributions to the USSR Pension Fund are paid by workers and employees from wages, by members of cooperatives from the income received in the cooperatives, by kolkhoz members from all forms of remuneration in the social economy of the kolkhoz, by citizens working in religious organizations, including the clergy, from income received from the work in these organizations, and by other persons subject to state social insurance from received income.

Compulsory insurance contributions of citizens will be deducted from wages and retained by enterprises, institutions and organizations at the place of payment of wages (income).

The wage (income) for the calculation of compulsory payments of citizens is defined in a manner analogous to that of wages (income) for which contributions are calculated for state social insurance by enterprises, institutions and organizations.

When there are multiple jobs and compulsory insurance payments made other than at the main place of work, the administration of the enterprise, institution or organization is obliged to report on the amounts at the place of the primary work of the citizens. Compulsory insurance contributions will be set forth in a special insert in the labor book.

Compulsory insurance payments of citizens to the USSR Pension Fund must be transferred by enterprises, institutions and organizations in the manner and time established for the making of payments to state social insurance.

Offices of the USSR Pension Fund, together with state tax inspectorates, are entrusted with monitoring the correct and timely receipt of compulsory insurance payments to the USSR Pension Fund. Enterprises, institutions and organizations are obliged to provide these offices and inspectorates with the information on the transfer of the compulsory insurance contributions of citizens that is needed for control.

Officials of enterprises, institutions and organizations bear responsibility in the established manner for the incomplete and untimely retention and transfer of compulsory insurance contributions to the USSR Pension Fund.

The conditions and procedure have also been affirmed for the state social insurance of persons employed in individual labor activity, including under the conditions of individual (group) leasing or in personal peasant farming.

The state social insurance of these persons will be accomplished on a voluntary basis.

In accordance with the Law of the USSR "On the Provision of Pensions to Citizens of the USSR," those employed in individual labor activity have the right to a labor pension under the condition of the payment of insurance contributions to the USSR Pension Fund. They receive the right to other forms of security under state social insurance established for workers, employees, and members of cooperatives under the condition of the payment of insurance contributions to the USSR Social Insurance Fund.

Those employed in individual labor activity have the right to state social insurance either in the USSR Pension Fund and the USSR Social Insurance Fund simultaneously or in one of these funds. The payment of labor

pensions and other forms of security of these persons will be accomplished through the means of the USSR Pension Fund and the USSR Social Insurance Fund.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are paid by those employed in individual labor activity from their income at rates foreseen for insurance payments to these funds from the remuneration of the labor of workers, employees, and members of cooperatives, including the compulsory insurance payments of citizens. The amount of the income is determined in a manner set forth in Article 19 of the Law of the USSR "On the Income Tax from the Citizens of the USSR, Foreign Citizens, and Persons Without Citizenship." If a person is employed in individual labor activity based on a license, he makes insurance payments from the amount of income determined as the basis of the payment for the patent.

Persons employed in individual labor activity and expressing a desire to receive pensions and other forms of security turn to the offices of the USSR Pension Fund and USSR Social Insurance Fund at their place of residence and complete their obligation.

The corresponding office of the USSR Pension Fund or USSR Social Insurance Fund will assign each insured person a registration number and notify him of the insurance rate and the time for the payment of insurance contributions.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are paid in the following manner: in each quarter, the insured party pays 25 percent of the annual sum of insurance contributions calculated in accordance with the income of the previous year and those paying insurance contributions for the first time pay 25 percent of the amount calculated in accordance with the expected income for the current year. At the end of the year or termination of the individual labor activity, the total annual contributions to the USSR Pension Fund (USSR Social Insurance Fund) are calculated in accordance with the income actually received and the difference between this sum and the sums paid during the year is subject to recovery from the insured or reimbursed to them by 15 March and within a period of 15 days in the event of the cessation of individual labor activity. In the event of a significant increase or decrease of income during the year, the insurance contributions may be recalculated at the wish of the insured.

Citizens engaged in peasant farming will pay insurance contributions to the Pension Fund (USSR Social Insurance Fund) once a year after the determination of the final amount of the annual income for each member of the peasant farm but not later than 15 March of the year following the year for which the insurance contributions are made.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are made (transferred) to the corresponding account of the USSR Pension Fund

(USSR Social Insurance Fund). The social insurance of those engaged in individual labor activity ceases at their request beginning the first of the month following the month in which the request is submitted. Offices of the USSR Pension Fund (USSR Social Insurance Fund) are obliged to issue to persons terminating insurance or changing their place of residence a report on the payment of insurance contributions, which is a confirmation of the length of service giving the right to a pension or other kinds of security. Paid insurance contributions are not subject to reimbursement here.

The offices of the USSR Pension Fund (USSR Social Insurance Fund) together with state tax inspectorates are entrusted with the monitoring of the timely and full receipt of insurance contributions.

The present regulation also extends to creative workers who are not subject to state social insurance. The income from which the insurance contributions are collected is thereby determined on the basis of a declaration of annual income.

Questions on Personal Taxes, Social Insurance Answered

914D0100A Moscow KOMSOMOLSKOYE ZNAMYA
in Russian 12 Dec 90 p 3

[Article by D. Dobrovolskiy under: "On the Topic of the Day" rubric: "War Against Taxes and Taxpayers"]

[Text] **Donetsk**—It is generally known that we work inefficiently. It is no secret that we are paid even worse. On 15 May of this year, however, the USSR Council of Ministers issued a decree under which 37 percent of the wage fund will be withdrawn to the state social security fund (and another one percent directly from wages to the pension fund). And many intuitively sensed a trick—they are certainly taking a lot. But can you really fight the state in the person of an accountant who always withholds something from your wages? No one has ever explained to us why it is so much and where it is used.

But they will now begin to calculate almost four times as much! Let us say that a certain Sidorenko labors at the plant. You see that 40-50,000 accumulates over the years of his work (what interest he could have earned if this were put in a savings account!). Sidorenko was on sick leave only once, he did not accept passes to sanatoriums and he died at the age of 60 (men in our nation live approximately 11 years less than those of the same age group abroad). And his pension was pitiful. But Sidorenko left behind some children, who were not able to save anything for furniture and a television set. Where is the justice?

It is most curious that this decree "slipped through" in our "revolutionary-perestroyka time of the triumph of glasnost and democracy" and that the "go-ahead" for this action was given by the valiant official trade unions, which changed their shingle, thereby seeming to distance themselves from the stagnant past. Then, becoming

noticeably braver, they cursed the market and cooperators. But actually behind this decree are the billions from a worsening of the prosperity of people.

Actually it was the All-Union Association of Trade Unions of Working People of the Cooperative Enterprises of the USSR, with headquarters in Donetsk, that rushed to look into this "deal" and to sound the alarm. A special seminar was convened here the other day. There we learned many interesting facts about our reality.

N. Myagkova, jurist:

The fact that the former AUCCTU [All-Union Central Council of Trade Unions] headed by V. Shcherbakov did not argue with the government but agreed to such a constraining version is reason for dismissal. For even the president of the USSR understood that "they went too far" and reduced the tax rate for 1991 to 26 percent with the ukase of 5 October. But why 37 or 26, when one may also say 50, 60 or 15 percent? Calculations and scientific grounds are needed but they do not exist. We decided to do them ourselves with the help of scientists.

Z. Lukanova, specialist on social security matters:

The new insurance tariff is a blow to the pocketbook of working people and state enterprises as well as cooperators, only in different forms. The production cost of output will rise and hence so will prices. The income of enterprises and wages will decline. But this is not all. The most interesting thing is something else.

It would seem that the higher taxes have to do with the increase in pension. But the tax increased by a factor of four, whereas the increase in the pension was insignificant. Secondly, the new law on pensions will basically not go into effect until 1993 (pension payments will increase little in 1991). On the other hand, they want to withdraw huge sums beginning as early as January 1991. The result will be a fork. Thus, the recently established All-Union pension fund (and this is a cumbersome new structure) will take control of about 100 billion rubles [R] in 1991 alone. The republics must not turn this money over to the center senselessly. But this is not all either. The decree of the USSR Council of Ministers on 15 August of this year provides for the unfair redistribution of the resources. It would seem that the social security fund will increase excessively. But 80 percent of its assets will be withdrawn to the pension fund and only 14 percent left for social security. In 1991, for example, R5.5 billion will go to the pension fund and only R15.6 billion will remain for social needs. This is little more than half of what was spent in 1990 for the most necessary things: the payment of hospital care and treatment at sanatoriums and resorts, the support of departmental kindergartens, etc. It is possible that in this way the government wants to patch some holes in the current budget but what is the purpose of the social security fund here?

And it is no accident that the participants in the conference passed a resolution in which they called upon the

republic parliaments to put a stop in their territories to the action of the decree of the USSR Council of Ministers on the formation of a pension fund and the corresponding ukase of the president and also demanded that the All-Union government present the necessary calculations and justifications.

It is necessary to have a new concept for social security that would provide for personal accounts for all working people, the right to inherit pensions, etc.

By the way, such studies already exist. This is what **G. Kirpichev, Leningrad representative of the independent trade union "Unity" [Yedineniye]** reported:

In Kazan, the former AUCCTU maintains an entire research institute on social security questions. But the latest studies by scientists no longer suit their bosses, for now the central system of the trade unions is taking and distributing 94 percent of the funds and leaving just six percent in the localities. The scientists showed that it is sufficient to centralize 24 percent and to leave the remainder in the localities. The interest of the insurers will thereby increase greatly. There are also other studies, e.g. on the most rational and fairest commercial insurance. Our trade union will cooperate with the institute in Kazan.

The statement of M. Zakharov, chairman of the Commission on Social Policy of the Russian Supreme Soviet, was quite notable. He told of a new pension law that is supposed to be adopted in this republic very soon and of the conservative position of the central and the official Russian trade unions.

After the conference, its founders organized a small party in a private restaurant, which confirmed that our land has not yet become completely impoverished.

Certainly the readers will ask: What kind of a trade union is this that sharply criticizes the government and official trade unions, why was it founded in Donetsk instead of in Moscow, how is it financed, etc.?

We are indeed talking about a phenomenon. The All-Union Association of Trade Unions of Working People of Cooperative Enterprises is growing and becoming stronger unusually rapidly, although the official structures do not like it.

As of today, 89 large regional organizations (from the republic to the rayon level) have joined this association and individual collectives, lease and state enterprises are also joining. For example, the oblast trade union "Rembyttekhnik" expressed such a desire, as did the large trade union of the trust "Donetskselstroy." For the time being, they have asked that other state organizations not be revealed: it is not so easy for them to move from a state to a nonstate trade union.

The secret? The association centralizes only six percent of the trade union dues and all the rest remains and is expended in the localities. As its president Yu. Pivobarov reported, its headquarters does not deal with distribution and redistribution. The main thing is the juridical defense of the movement and its members exclusively through legal methods as well as the defense of social interests. It is notable that the association, which includes about 1 million people, has a staff of only 10 occupying six rooms. The staff is mobile, energetic and well paid. The conference in Donetsk was the third in the last few months. A major international fair-market is being prepared for the spring. The juridical service is the largest in the system. The financing of any programs is voluntary for all organizations in the association. Scientists and deputies at different levels are actively cooperating with this association. Representatives of oblast branch trade unions participated in the conference but the former oblast council of trade unions ignored it.

The lack of communication between the association and the Ukrainian parliament must be seen as a shortcoming. It would be useful for the deputies of the republic to take part in such a forum, because the Ukraine has to work out its own policy in the area of social security and pensions.

ENERGY COMPLEX ORGANIZATION

Atomic Energy Official on New Scale To Rate
Nuclear Mishaps914E0037A Kiev RADYANSKA UKRAYINA
in Ukrainian 30 Nov 90 p 3

[Interview with state inspector V.V. Stovbun by O. Breus: "Scale of Danger for AES"]

[Text] As of September of this year, a scale for rating extraordinary occurrences at atomic electric power stations has been introduced in our country. It was elaborated on the basis of the scale proposed by an international group of experts. Explanation about the purpose and use of this scale is provided by the direction of the public information and communication group of the South-Western Region of the State Atomic Industry Control of the USSR, state inspector V.V. Stovbun.

[RADYANSKA UKRAYINA] Victor Vasylovych, is it really necessary to rate individual events at atomic stations, when we often hear calls for a reassessment of atomic energy in general? Is this not simply an attempt to confuse the public?

[Stovbun] The public, especially the population living close to an AES [nuclear electric power station], shows a completely understandable concern and interest about any events occurring at atomic stations. It has long been time to dispel the fog of secrecy around atomic energy, which fosters the growth of rumours. And although some of them, as we now see, were not without foundation, most of them were fabrications. It is obvious that this "method" of informing the public must be stopped. The government and atomic departments have finally understood that the continued use of atomic energy without widespread provision of information about everything that occurs at AESs and around them, without the necessary work with the public and the population, is unthinkable. Work of this type has long been done, and not without success, by atomic specialists in all developed countries. I learned about this during my mission to the United States. As far as the use of atomic energy, in the United States, for example, a program is presently being considered which views further construction of AESs as the only rational source of electric energy.

Incidentally, in September, inspectors from the United States nuclear regulatory commission, which controls safety within the nuclear industry and at AESs, were in Kiev. They also visited the Khmelnytskyi atomic electric station. They measured the levels of radioactivity at the AES and in the city of Netishyn, using their own instruments. According to them, the levels everywhere were significantly lower than in comparable places at American AESs. The guests were satisfied with the station itself and with its operation. Incidentally, they stated that the forms and methods of control of AESs are quite similar in the USA and the USSR. But in their view our work with the public and the population is at quite a low level.

So let us return to the subject of informing the public about irregularities at AESs. According to the principles we go by, every unplanned stoppage of an individual equipment group or a whole energy unit is qualified as a "disturbance in the functioning of the AES." However, different disturbances pose different measures of danger to people and the environment. Just as there are different types of damage to a car. A stoppage because of an engine problem does not pose a danger. A stop resulting from the malfunctioning of the steering mechanism, which does not cause an accident, poses a potential danger. And a collision caused by brake failure—this is already an accident.

The complexity and large number of systems in the AES, the subtleties of specialized terminology, make it impossible to communicate in as brief and understandable a manner the degree of danger of an occurrence at an AES. In France, Japan and other countries scales are being used for rating occurrences at AESs which can be compared to scales rating the strength of earthquakes or wind forces. A scale of this type has also been elaborated by the International Atomic Energy Agency. Now a similar scale has been introduced here.

Its purpose is the operative assessment of the real or potential danger posed by occurrences at AESs to people and the environment, and the communication of this information to the public through the mass media. The occurrences subject to rating by this scale are only those involving nuclear and radiation safety. Events which do not relate to safety are rated as being below the scale, that is, at zero level. Accidents and incidents of a technical character or other occurrences which are not linked to the work of atomic institutions, are not rated by this scale and are defined apart from the scale.

The scale consists of seven levels: an insignificant incident, an incident of medium significance, a serious incident, an accident within an AES, an accident with threat to the environment, a serious accident, a global accident.

The first two levels do not pose a real danger to the population or the environment. The third level reflects a certain danger, but only a potential one. That is why occurrences at the first three levels are called incidents, and not accidents, in contrast to the last four levels.

[RADYANSKA UKRAYINA] What criteria are used to decide at which level of the scale an occurrence at an AES is rated?

[Stovbun] The criteria are, first of all, radioactive emissions beyond the limits of the AES; second, contamination at the AES, excessive radiation of the personnel and damage to the reactor; and, third, deterioration of multiple-stage protection. That is, criteria are used which characterize the safety of the reactor, or, more precisely, the safety of people in relation to the condition of the reactor and its protection. There are also other conditions, which do not directly affect safety, but which call for increasing the level of the occurrence by one degree.

This would include, for example, occurrences which show flaws in the safety-maintenance procedures.

The first and second levels of the scale reflect a decrease of the preparedness of protection systems and are not linked with radioactive emissions, radiation of the personnel or damage to the reactor. The third level reflects the loss of multiple-stage protection, or excessive radiation of the personnel, or a very insignificant external radioactive emission—at a level not above the existing limits. The fourth to the seventh levels are linked with radioactive emissions ranging from small levels to levels which significantly affect the health of the population and including damage to the reactor. Incidentally, the levels of emissions are measured more strictly by our scale than by the International Atomic Energy Agency scale.

By way of example, let us cite the two best known occurrences at AESs. The Chernobyl catastrophe is rated at the seventh level. The accident which occurred in the USA in 1979 at the Three Mile Island AES was linked with serious damage to the reactor, but did not lead to large emissions of radioactivity into the environment; it is rated at the fifth level. Most of the occurrences at our AESs which have recently been reported in the press would be rated at the zero, first or second levels.

[RADYANSKA UKRAYINA] Who does the rating of AES occurrences, making use of the scale that has been introduced?

[Stovbun] At every AES people are designated as responsible for assessing occurrences and relating them to a given level on the scale. They have to take a special course to learn how to rate occurrences at AESs.

[RADYANSKA UKRAYINA] Does this procedure not lead to rating the safety of an occurrence at a lower level, or at least, to subjectivity in its assessment?

[Stovbun] The rating of an occurrence carried out at the atomic station is necessarily linked with an inspection by the State Atomic Industry Control. As to subjectivity, one can hardly claim to absolutely avoid it in all cases. But often all the details of an occurrence become known only after a special, usually long-lasting investigation is carried out; incidentally, this investigation is done and was done earlier, independently of the rating by the scale, in every case of disturbance in the operation of an AES. That is why the rating of the occurrence that is done on the spot is preliminary, and it may be made more precise after the completion of the investigation. The main value of the scale lies in the fact that it makes it possible to obtain preliminary information in an operative manner about an occurrence at an AES and notify the public about it. Information about occurrences rated below the fifth level of danger is communicated to local media within five hours; about occurrences at the fifth, sixth and seventh levels—immediately. And after the Chernobyl catastrophe, there is no need to explain how important this is. But the purpose is not only to warn the population about danger. If AESs work

in conditions of openness, of inevitable public discussion about dangerous violations, this will lead to an increase in the responsibility of all professional workers connected with atomic energy.

I think that if in its time information about occurrences at AESs had not been hidden behind "seven seals," even from specialists, we would not have had the Chernobyl catastrophe.

Government Program to Overcome Energy Deficit Examined

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[Interview with Vitaliy Vasilyevich Bushuyev, Director of the Subcommission of the USSR Supreme Soviet on Power Engineering and doctor of engineering sciences, by L. Tsvetkov, chief specialist of the Information Section of the USSR Council of Ministers: "The Power Deficit. How Is It To Be Avoided?"]

[Text] We talk about the State Power-Engineering Program which the government developed.

The draft of the All-Union Agreement calls for, in Article 5, which defines the authority of the Union, "control, jointly with the republics, of the country's Unified Fuel and Power System." And this is understandable. There is not one important state figure, politician, executive, or scientist, no matter how hot the arguments are around problems of "sovereignty," who doubts that the fuel and power complex should operate as a unified one for the whole economic expanse of the Soviet Union. There are considerable differences of opinion about approaches to the more parochial problems—for example, choice of priorities, the siting of capacity, settlements for resources, and other matters. But, in the main, perhaps everyone who is attached to the idea of good-neighbor collaboration of sovereign republics will agree: the fuel-and-power system, the base of bases of the life support of the country, cannot be the subject of political dealing, it must be developed by everyone together. This actually existing understanding also has been reflected in the lines of the draft All-Union agreement that has been cited. And it is destined to be realized through the Power-Engineering Program—one of those statewide programs in whose financing and execution all the republics will participate, as has been recommended.

At the request of the editorial board, V. Bushuyev, director of the USSR Supreme Soviet Subcommission on Power Engineering and doctor of engineering sciences, comments on the essence and principles of the State Energy Program that the government has developed.

[Tsvetkov] Vitaliy Vasilyevich, despite the fact that everyone, it seems, understands the importance of the fuel-and-power complex and his everyday dependence upon the state of affairs therein, it is still under attack. And the blows are rather heavy. How do you evaluate their consequences?

[Bushuyev] In evaluating the consequences, one must proceed from the fact that power generation is one of the most intensive branches in terms of capital, labor and materials. And the program's developers are, of course, paying attention to that fact. Power engineering, they note, takes from the national economy about a fourth of capital investment, a fifth of the labor resources, more than three-fifths of the pipe produced in the country, up to 20 percent of other ferrous metallurgy output, almost a sixth of the copper and aluminum, and the same share of what the cement industry and machinebuilding produce.

I am not speaking right now about the utilization effectiveness of this whole mass of resources. I am simply establishing that such a resource-intensive branch inevitably is extremely ponderous. What does this mean in practice? The fact that, for example, in curtailing investment in this complex, we do not immediately feel the drop in production of fuel-and-power resources, for it makes itself felt only after two or three years. But—and this is the main thing!—restoration of the previous amounts occurs only after 8-10 years. At least under the current level of monitoring and management.

[Tsvetkov] And, consequently, the stopping of construction and the cessation of operation of 70 power stations at society's demand and with the support of local authorities....

[Bushuyev] ...means for us not simply the loss of about 160 million kW of total capacity and half of the current capacity of the USSR Unified Power System. This means also a loss of pace in getting the national economy out of a crisis. And if we add that about 40 percent of the power equipment has served out its service life completely, then it is clear: we are about to fall into a power-engineering catastrophe because of an ecological disaster. Truly a catastrophe. After it there is a collapse of all social programs and complete breakdown of the country's life-support system.

[Tsvetkov] Aren't you exaggerating? Is the reserve of strength in our power-engineering indeed so insignificant?

[Bushuyev] Previously we were consoled by the fact that, having 5.5 percent of the world's population, we possess a fifth, that is, 20 percent, of the explored reserves and, we are extracting 21 percent of the world's power-engineering resources. But the consolers said nothing about the fact that the material production sphere consumes the major portion of these resources of ours. For municipal and household needs, that is, for the needs that are tangible for each person, we consume 43 percent as much as the U.S. does.

And so it is that, with an energy consumption that is more than modest in the social sphere, we have a standard level of electrical reserve capacity that is below the lower limit—about 13 percent. Compare this with Western Europe, where it is 35-50 percent. And right

now we must forget about our paltry standard, because the actual reserve is 4-5 percent.

[Tsvetkov] Frankly, the comparisons are depressing. And the prospects that ensue from them also are depressing for us. What should be done in order that the Wellsian "Russia is in darkness" will not cease to be a metaphor and does not turn into reality, not even for any of the republics?

[Bushuyev] First, let's stop driving ourselves ever deeper into a corner. The tug of war between the ecology and power engineering must cease quickly. We are already feeling the effects of this adult game, depriving ourselves of the simplest medicines....

[Tsvetkov] You are taking those approaches that are cited in the draft of the Power-Engineering Program?

[Bushuyev] Basically, yes. It impresses me that during refinement of the draft, its "social" component is increasingly brought to first priority. It would seem that we must move farther in this direction.

What do I have in mind? That everyone who picks up this paper sees clearly that Indicators of the quality of life of our people are taken as the starting point for all the calculations. Indeed, everything that determines the living standard—be it pure water, meat or bread, square meters of housing, refrigerators or coffee grinders, hospitals, schools, vuzes, or printing houses—literally everything has its power-engineering equivalents. Including also the process of material production and working conditions, if they also are to be viewed as man's requirements.

[Tsvetkov] I understand that such a program is a document that is as much political as it is economic. Consistent logic actually would facilitate its passage, by the republics and by you—the Supreme Soviet, where not one professional will discuss it....

[Bushuyev] That is not the point....More precisely, that is not the only point. It is much more important that society evaluate realistically its own prospects. For example, it is apparent from the specialists' computations that by the year 2000, and even by the year 2010, we will not be able to come up even to the current living standard achieved in the advanced countries. Let's say we will need 10 years to increase the estimated living space per capita from today's 14.5 square meters to 18.5, and 20 years to increase it to 24 square meters. But in the United States right now there are 50 "squares" per resident, that is twice as much....

Our "greens" must also see these realities instead of the indiscriminate "Close them!" For instance, the draft program cites evaluations by specialists of the Siberian Division of the USSR Academy of Sciences: Given the estimated increase in thermal electric-power station capacity, if one sets the goal of reducing discharges into the atmosphere by about 5 percent, then about 30 billion rubles more will have to be invested at the first stage.

And a 10-percent reduction in discharges will require almost three times as much. Is that something to think about? In real life a middle ground must be sought.

This approach, which is followed in the draft program, also appears to be productive. Let us assume that it establishes that the ecological component of the cost of new power stations should be at least 30 percent, which, incidentally, is much more than today's grants for protection of the environment. One can argue about the figure, and the ecology specialists undoubtedly will analyze it with great partiality. But one thing is indisputable: It is a constructive path, not the dead-end path taken when local organs simply prevent new power-engineering construction.

All this undoubtedly tells on the strategy for developing the fuel and power complex. Evidently, we will be compelled to declare a moratorium on the construction of nuclear stations for 5-8 years, having organized a "gas interval" in order to maintain a reliable supply of electricity. But indeed neither are gas reserves unlimited. This means that during this period it will be necessary to prepare other AES designs, including underground stations, and to find new solutions for coal-fired power engineering.

[Tsvetkov] I would like to call your attention to the fact that the draft of the All-Union agreement discusses "joint control with the republics" of the fuel-and-power engineering branch. How do you suppose that the possibility of replacing the dictates of the center with the dictates of the republic is not incorporated in this formula?

[Bushuyev] In my opinion, the formula is accurate. It touches such a delicate topic as regional questions of the Power-Engineering Program.

Its developers, in my view, chose the initial position correctly: the document indicates possible and desirable transfers of energy resources from one republic to another, and, for the RSFSR, interregional transfers also.

But, after determining who has a deficit and who has a surplus of power resources, and precisely what they are, we take only one step. But indeed, it is necessary right away to think also about a second one: how to effect these transfers. By directives? But we will immediately encounter opposition in the republics: the center, they say, is trying, as before, to be in charge of our property.

The formula "joint control" opens up, in my opinion, great prospects. The center, having calculated optimal transfers, carries out part of its regulating functions: it indicates to whom, from whom, how much, and which energy resources it would be expedient to buy.

Practical organization of the sale of these resources is the prerogative of the other party, the republics, which will conclude economic agreements among themselves and determine quotas, that is, the total amounts of sales during the first stage of conversion to the market will

also determine price levels. Local soviets, in receiving the right to coordinate rates for electricity, also are thereby included by power-engineering policy in the generation and sale: they will be able to expend a portion of the "fat" from profitable rates for ecological purposes.

Will the center take part in acts of buying and selling? Yes, but only as an intermediary. The actual sellers are the enterprises and associations which extract, process, and produce energy resources. The center's commercial organizations, it seems to me, will do business with them directly: they will purchase resources not from the republic but, let's say, electricity from the Surgutskaya GRES or the Kolskaya AES, and oil or gas from the appropriate extracting associations. And, using the existing LEP's [electric-power transmission lines] and trunk oil and gas lines at its disposal, will sell the output to those in need of it.

Strictly speaking, this is generally accepted contract practice in most countries. We discussed these problems with the deputies' commissions, including those of Russia. Such a scheme of joint control, it appears, would suit everyone.

[Tsvetkov] The developers of the draft Power-Engineering Program are examining two options. The first is oriented to an average annual growth of national income of 4-4.7 percent. The second, to a 3-percent addition. The draft's slower pace is not being examined, since it involves a reduction in the standard of living for the people and because it is considered categorically unacceptable. Well, and what if in actuality these "categorically unacceptable" turn out to be the very thing?

[Bushuyev] All the indicators which must be reached under the program are not directive instructions. They are an optimal integrated forecast, how one must proceed for better results for the regions, the republics, and the country as a whole. Given that degree of indeterminacy that now exists in the economy, there is the danger that we can prove to be below the minimum permissible level. And then that which we already spoke about is inevitable: a failure of social programs caused by a power famine.

Can this be avoided? The State Energy Program is constructed not on bare wishes. It is based on 22 republic and regional programs. We depart from the gigantomania of creating superhuge power stations. One must take a look about specific regions—in many cases small-capacity stations are much more suitable, including gas-turbine and steam-and-gas stations, as well as installations that use nontraditional energy sources—geothermal, solar, wind, tidal, and so on. Consideration of the opinions and wishes of republic and local organs will strengthen confidence in the unified state program.

Increase in 1991 USSR Energy Costs Viewed

914E0045A Tashkent SELSKAYA PRAVDA in Russian
27 Oct 90 p 3

[Interview with Yevgeniy Ivanovich Petryayev, Deputy USSR Minister of Power and Electrification, by R. Akhmetov, TASS correspondent: "Energy Is Becoming More Expensive. Why?"]

[Text] Foreign tourists who come here are surprised at many things. In particular, we have, in their opinion, very low rent, and the price of electricity is almost mythical. Actually, in the cities the people pay two to four kopecks per kilowatt-hour, while rural residents pay even less—about one kopeck.

We do not take it upon ourselves to predict how these prices will be changed with conversion to the market economy. But industrial enterprises and organizations will in 1991 begin to pay much more for their electrical and thermal energy than they do now.

"There are several reasons for this," explains Ye. Petryayev, Deputy USSR Minister of Power and Electrification. "Next year prices for fuel will be about doubled. And it determines the cost of energy to a great extent. Transformer and turbine oil and other material resources will be more expensive. We will pay for the use of land and water and for the discharges of harmful substances into the atmosphere by electric-power stations. All these expenditures will affect the rates."

"I note that the rate schedules now existing in the country absolutely do not reflect the true cost of either electrical or thermal energy. Consequently, they must be made to correspond with the costs."

[Akhmetov] Yevgeniy Ivanovich, you have named the current expenditures that will be incorporated in the rate schedules for energy. And who will finance the development of power engineering?

[Petryayev] Up until now a major portion of the expenditures, as is known, were covered from the state budget. Beginning next year the policy changes. The erection of power-engineering facilities that are of All-Union or interregional significance will be financed from the budget. These are nuclear and large thermal and hydraulic electric-power stations, as well as LEP's [power transmission lines] of 500-kW capacity or more that interconnect regions. Expenditures for these purposes comprise about 30 percent of capital investment in the branch. The remaining funds should be formed through local budgets, rate schedules, and shared participation of energy consumers in the construction of power-engineering facilities, as well as bank credits, which the power-engineers will get and pay off later through their rate schedules.

[Akhmetov] Who will set the prices for energy?

[Petryayev] In today's environment, when the republics have acquired sovereignty and economic independence,

there is no point in the center setting them the rate schedules. But the functions of price regulator should remain with the state; otherwise, they will rise uncontrollably.

Power engineering has its specifics. Let us assume that the price per kilowatt-hour for Rostselmash has turned out to be excessively high. But it is not within its powers to refuse electricity that Rostovenergo furnishes it and to buy it at a moderate price from Krasnoyarskenergo. As a result the consumer proves to be in a hopeless position; he is deprived of the opportunity to choose suppliers. This paves the way for dictating power prices.

In order to avoid this, we have developed and coordinated with USSR Goskomtsen [State Committee for Prices] and USSR Gosplan [State Planning Committee] a temporary statute about state regulation of rates for electricity and heat. In accordance with it, beginning in 1991 each region will establish its rates as a function of local conditions and costs for producing power.

[Akhmetov] Who can be entrusted to see to it that locally there will be no striving to sell it more expensively and to include in the rates even losses from wastefulness and slipshodness?

[Petryayev] Of course, there can be such tendencies. In order to protect the interests of the consumer, and relying upon the world's experience, we have developed a special method for settlements. Those in the field should be guided by it strictly. The method enumerates those expenditures that must be included in the cost of energy. In order to head off staff overmanning, estimates are made of the number of personnel for electric-power stations and power grids. The standards are made the basis for these indicators. If the number of power workers at the stations do not stay within the limits, then the difference must be covered from their own income.

[Akhmetov] Now we turn to the main question. How much will the rates for energy be raised?

[Petryayev] USSR Goskomtsen has approved an increase thereof by an average of 45 percent. This was in February. Later the situation changed, and the amounts of the enterprises' contributions to state social insurance were raised. In our branch they were set at 37 percent for 1991 instead of the current 10-13 percent. Power-engineering enterprises do not have spare money. And so it is that additional expenditures will go into the cost of energy.

[Akhmetov] Can the local soviets change the rates?

[Petryayev] They have obtained that right. With the emergence of unforeseen expenditures, the soviets can, upon the petition of the power systems, raise the rates approved by USSR Goskomtsen by 15 percent. The main thing is that these expenditures should be realistically justified.

[Akhmetov] Yevgeniy Ivanovich, protests are occurring in Moscow and other places against the construction of

new thermal electric-power stations. They are a serious source of pollution of the air basins of the cities. How do you assess the situation that prevails?

[Petryayev] I share the public's concern about the environment, upon the state of which our health, working efficiency, and longevity depend.

But I want to talk about the economic aspect of the problem. Here we have to change the thinking. We have become accustomed to thinking that the state should pay for everything. Including the rebuilding of existing power stations for the purpose of reducing harmful discharges into the atmosphere.

There is no disputing it: that's the way it was previously. Now we are converting to a market economy. Where will the power workers get the money to purchase modern equipment so the power stations will not discharge coal cinders into the air? Only from energy customers, that is, from enterprises and the population. How can they finance the expenditures? Through a rise in local rates.

Incidentally, such a procedures exists in the civilized world. Colleagues have come here from the FRG. They said that they have located power stations almost in the center of cities. Without any kind of protests. Because these are ecologically clean power enterprises. It is true, their construction costs are double those of standard stations, but then the rates for power are twice as high. The public goes for these costs, as long as they breathe clean air.

[Akmetov] Thus, beginning next year the rates for energy will rise 1.5-fold. Readers naturally will be interested in how this will be reflected in their family budgets. Indeed industry will charge for the increased energy cost in their output. Consequently, the public will pay more for clothing, footwear, furniture, and other commodities. In what amount?

[Petryayev] It will be no more than one percent in the cost of consumer goods because of energy. So it is that we are not making a "tear" in the citizenry's family budget.

Union Activities Focus of General Confederation Meeting

914F0102A Moscow TRUD in Russian 3 Jan 91 p 1

[Report on meeting of the Presidium of the USSR General Confederation of Trade Unions Council: "In the Presidium of USSR General Confederation of Trade Unions Council"]

[Text] On 28 December 1990, a meeting was held of the Presidium of the VKP (General Confederation of Trade Unions) Council to examine issues of fundamental importance to the activities of the country's trade unions.

Opening the meeting, VKP Chairman V. P. Shcherbakov announced the admission into the USSR VKP of several new trade associations: the trade union of machine and tool builders; the trade union of workers in the oil and gas branches of industry and construction; the federative independent trade union of water transport workers; the federation of communications workers trade unions; the trade union of coal industry workers; the "Elektroprofsoyuz" [Electrical Workers Trade Union] General Federation of Trade Unions.

It was pointed out at the meeting that the tasks set by the 19th Congress of USSR Trade Unions and the necessity for the further organizational strengthening of the Confederation of Trade Unions and its member organizations urgently require the speediest resolution, in accordance with modern requirements, of several issues related to the interests of the country's workers.

One of these issues—the Trade Union Property Fund—became the subject of active and interested discussion at the meeting of the Council's Presidium. The importance of creating the economic, legal, and organizational conditions for the utilization, in the interests of the workers and every member organization, of property belonging to the trade unions was emphasized. Favorable opportunities for this can be created if the principle of the unity and indivisibility of the trade unions' property is observed. A resolution was passed basically approving the elaborations of the issue on the Trade Union Property Fund prepared with the participation of representatives from trade associations of all the republics and confirming VKP Deputy Chairman V. V. Kuzmenko as chairman of the fund.

Provision was made, in accordance with the resolution of the 19th Congress of USSR Trade Unions, for the normative materials connected with the Trade Union Property Fund to undergo further examination by a commission drawn from representatives of the branch trade unions and republic trade associations.

In discussing resolutions on the USSR Social Insurance Fund, the leaders of the member organizations noted the necessity of improving the fund's forms of administration and increasing the interest of the trade organs and labor collectives in reducing the sickness rate in the

enterprises and organizations and in rationally utilizing the funds obtained as a result of these economies.

The Presidium of the VKP Council approved the provision on the USSR Social Insurance Fund, which is an independent finance-banking system under the jurisdiction of the USSR General Confederation of Trade Unions.

The Social Insurance Fund for 1991 was approved for earnings and expenditures in the amount of 22,460 million rubles (R). The fund takes into consideration new undertakings to strengthen the guarantee to workers of pensions, including to women for pregnancy and childbirth, upon the birth of a child, and so on. Appropriations for the organization of sanatorium-resort treatment and holidays for workers and members of their families were raised to take into account the transition to the market economy.

Targeted expenditures envisaged include R800 million for the treatment of persons affected by the accident at the Chernobyl AES, R260 million for the construction and reconstruction of trade union sanatoriums, and R200 million for the upkeep of children-youth sport schools.

In examining the issue of price changes for trips to trade union sanatoriums, special attention was paid to working out a procedure to compensate for increased expenses for food and maintenance of the sanatorium, with the view to preventing any increase in the payment for trips out of workers' own funds.

At the suggestion of the USSR VKP Council's Permanent Commission on the Defense of Youth and Student Rights and the Protection of Children, results were calculated on children's health in 1990. It was pointed out that conditions for organizing health care for workers' children during vacations had worsened significantly. In nine months, 15.6 million children and adolescents took holidays in trade union health camps, which was 2.4 million fewer than in 1989.

The USSR VKP Council's Presidium expressed extreme concern over the situation that has come about with respect to organizing holidays for children and addressed a proposal to the trade union organizations in conjunction with the labor collectives and the congresses of people's deputies to seek out ways to satisfy as much as possible workers' health care requirements for their children and to direct the necessary material and personnel resources to this purpose. The confederation's member organizations recommended turning to the supreme soviets of the union and autonomous republics and the kray and oblast congresses of people's deputies with a request to consider urgent measures for the socioeconomic guarantee of children's health in 1991.

In connection with the need to acquire food at contractual prices, it was decided to increase the monetary standard for expenditures for food for each participant per day in health camps of all types (other than day camps) to R3.30. Other measures were fixed as well to improve the organization of children's health care.

The VKP Council's Presidium approved the USSR draft law "On the Basic Principles for Labor Protection in the USSR," which will be presented to the USSR Supreme Soviet in the near future according to the procedure for legislative initiatives.

As has already been reported, the Presidium supported the demands of education workers regarding the necessity to raise the pay of teachers and other pedagogical workers regardless of their departmental subordination to the level of the average salary of workers employed in the productive sphere, as a guaranteed state pay minimum. It was decided to send an appeal for support of teachers' demands to the session of the USSR Supreme Soviet.

The session of the USSR VKP Council's Presidium also examined other issues regarding the activities of the trade unions and their international ties.

Miners View Market Advent Skeptically

914F0099A Moscow SOVETSKAYA ROSSIYA
in Russian 29 Dec 90 Second Edition p 1

[Article by A. Oreshkin, general director of the Vorkuta-Ugol Association: "Hopping to the Market: What Vorkuta Miners Think About Their Tomorrow"]

[Text] It's already been a good ten years since we have been living under the once promised communism. I don't want to ironize on the subject of the unmaterialized prognosis, although here in Vorkuta even salt and matches are being sold by coupons. Today it is even more important not to fall into a euphoria of ecstatic dilettantism at the sight of the new luminary on the politicoeconomic horizon: the market. Anyone who is counting on the serene glimmer of blue waves and chocolate suntans is profoundly mistaken. The market has harsh lighting and the dispassion of computer tomography exposing not only the open and closed breaks in our economy but even its, so to speak, psychological faults, its hereditary fallaciousness.

Naturally, if you judge by the larger score, the market opens up for everyone a way out of the crisis tunnel in which we have all found ourselves. But how are the cripples and poor devils supposed to get there if even our heroes are now at the threshold of disability? These are

the kinds of analogies that come to mind when you think hard about the problems of entering the market for our coal branch.

Across the country the echoes of last year's mining strikes still reverberate. Metallurgists and coke chemists are hoarse from yelling, "Give us coal!" But so far, under the present conditions of unbalanced production, unprecedentedly inflated metallurgical and coke-chemical capacities, and the unwarranted metal consumption of machine-building production, no one can tell us how much coal and metal the country needs. There is one sole criterion: the more the better. And the press of the command-administrative system continues to pressure the miners with ever mounting force.

I shall illustrate this with the example of so-called centrally stimulated mining (TsSD), which act as a kind of makeweight for state orders and which miners look upon as a countersink. For our association this make-weight comprises over a million tons. But if previously TsSD truly was stimulated by the wage fund and material resources, then now there is none of that, and the TsSD itself, included in the supplies resource, which used to be voluntary, has now become centrally coerced. In essence we have wound up with a 104 per cent state order, in excess of our mining resources. And even if we do fulfill the plan for mining and deliveries 100 per cent but do not manage the TsSD, then we are forced to pay millions of rubles in fines. Which is happening: 450,000 rubles (R) have already been seized from the association's accounts, despite the million tons of coal mined over and above the plan.

The situation, which is already accumulating explosive material of miner discontent, is complicated as well by the fact that according to "miner" resolution No 608, the share of the state order for Vorkuta miners is set at 95 per cent. The rest of the coal the miners have been given the right to offer through direct ties within the country and in barter deals. But the notorious TsSD stands like an insurmountable barrier on the path of trainloads of over-plan coal, including that mined on days off. How are we to understand this? As the inability of the planning and coal-selling organizations to recognize the fact that "scissors" like this are capable of cutting through the already thin thread of accord between the miners and the government?

By the way, even within the Soviet government the left hand, it seems, did not know what the right was up to when it signed the abovementioned resolution. To take just the new miner vacations, which according to preliminary calculations come to 87 days for underground workers—even more if you calculate in the time spent traveling to and from the vacation place. Even the American and German miners taken together could not allow themselves such luxury. But who's going to put out the coal while the miner is relaxing? After all, Vorkuta arrears alone amount to three million tons that the consumers are counting on.

This is more than a knot; it's a timber hitch. No one is going to give us 3000 miners to replace those who have gone on holiday. No one is going to work "for that guy" knowing that the USSR Coal Mining Ministry has laid its hands on even the above-plan coal. It is unlikely anyone is going to try to rescind the part of resolution No 608 on holidays. But for all that there is the presidential decree on urgent measures to stabilize economic ties that is in effect right now and is planned for all next year. The sum total of these problems amounts to R130 million that the Vorkuta coalminers are losing in a year. Isn't this too high a price to pay for a miner's holiday? After all, this will have to be paid for not simply in currency but in the curtailment of the mines' technical reequipment and the construction of housing and social-cultural objectives and in a real lowering of the standard of living, which is quite severe enough in Vorkuta as it is.

The sole acceptable way out for today is to compensate part of the holiday, 25 days on average, by remuneration. But in doing so tax benefits must be introduced for this portion of pay, for the existing procedure deprives the miner of all interest in compensation. We spoke about this at the USSR Coal Industry Ministry offices in a meeting with USSR Supreme Soviet Chairman A. I. Lukyanov, but we have yet to receive any support.

True, it is not only holidays that are cutting us off at the roots. The association has about two and a half thousand suppliers, and in a situation of general shortage virtually each one is involved in almost unconcealed extortion. They demand everything from us—lumber, metal, cement, coal, currency—threatening to leave us without equipment, shoes, furniture, and food. Even arbitration is incapable of putting an end to the dictate of counter-agents, whose conditions we find unacceptable. We are cruelly tied to a fixed price for coal, whereas an increasing number of suppliers even within our ministry's system have the right to supply output at contractual prices. They have in essence already entered the market and are running the show, taking advantage of our unequal partnership.

Nothing bodes well for the situation's prognosis. In the first place, we are forced to live beyond our means, literally stripping the mines and threatening to undermine technical, building, and social programs. The price of interdepartmental "brigandage" could prove to be unprecedently high, as last year's strikes have already proved. Secondly, the current year is the last for stable wage and material incentive funds. Now the measure of our prosperity becomes cost-accounting income. How is it to be formed given producers' monopoly dictate and the bacchanalia of prices, given the negligence of laws and nonimplementation of presidential decrees? For the mines this is the direct route to bankruptcy; for the miners it is the absence of stimuli for productive labor. Hence the negative appraisals of the government, whose inconsistent and uncoordinated actions have exacerbated the situation in the coal branch to the extreme on the eve of the transition of the country's economy to a market economy. The fact that we still do not have a

well-grounded state order guaranteed material resources and do not know the size of our subsidies, without which coalminers cannot survive, confirms this yet again.

Of course, we are not sitting with our hands folded. We are honestly fulfilling our duty to the country, despite how seriously worn out the coalmining equipment depot has become. To the Vorkuta miners' credit is nearly a million tons of coal over and above the plan; moreover, although it is qualitatively better, its value is lower. New skylines are being built at the Severnaya, Vorkutinskaya, Ayach-Aga Komsomolskaya, and Zapolyarnaya mines. At the Yuzhnaya Mine they have been able to introduce the Polish Glinik complex, literally transforming the enterprise, which is working steadily today.

At long last new Soviet-made complexes have appeared that are capable of working effectively on thin strata, although catastrophically few are coming out. Mine No 33 is being built, which will be taken over by the collectives covering the Khalmer-Yu and Yuzhnaya mines. Today we have democratized the branch's administration to the limit, having created a council of directors and leaving to the association only those authorities that the mines have delegated to it. I, for example, as general secretary, was hired by that council, which concluded a five-year contract with me. If the Coal Industry Ministry grants us the right of property, which it must get in turn from the USSR Council of Ministers, and we have the earnings, then I get the right to conclude contracts with the leaders of our structural subdivisions. On the one hand, the leader will be better protected socially; on the other, given the decentralization of administration and the market taking shape, he acquires greater decision-making independence, which is of no means small importance.

That is why the realia of today that have taken shape on the approaches to the market, which we are in essence hopping toward, are so alarming. Whereas the other leg is being held tight by yesterday's regime and by the current innovating, in which there is often more incompetence, libertarianism, and egoism than common sense, which consists above all in the fact that there is no alternative to the Vorkuta deposit of coal in the European part of Russia. With the depletion of Ural deposits, some of which are playing out their last days, the significance of Vorkuta coal will only grow. Reserves of it total about 200 billion tons, and the first billion will be mined only in ten years. The quality speaks for itself: it takes 100 kilograms less of our coal than other coal to produce the coke to smelt one ton of pig iron. So that state interest is going to be displaced more and more in the direction of Vorkuta. The status of market hostage does not suit it at all.

Belorussian Consumer Co-ops Restructuring

Insufficient Goods for Farm Population

914F0090A Minsk SELSKAYA GAZETA in Russian
11 Aug 90 p 2

[Article by Lyubov Kapustina, head of the SELSKAYA GAZETA Department for Letters and Public Relations: "Letters to the Editors: Who Is Living in a Castle?"]

[Text] If today we wore sandals of bast or hemp cord instead of shoes and arniaks for coats, if we smoked homegrown tobacco, then surely even these everyday necessities of our grandfathers and great-grandfathers would be scarce. Of course, there would be people who would frame the explanation in popular form: the vine did not bear, they would say, the hemp got wet, the tobacco was destroyed by frost....

No analogous modern situation?

What if we argue the point? Did it take the peasant 100 years ago more effort and time to make those same bast sandals than it does the present-day producer to make socks, say? But peasant sandals were on the feet of every peasant, they were considered the fastest selling commodity on markets, there were great heaps of them in the shops. But today ordinary men's socks are the dream of every ordinary consumer.

"Tell me where I can go to buy hosiery," asks Ivan Kovalchuk, who lives in the village of Dubrova in Yelskiy Rayen, in his letter to the editors, literally confirming these ideas. "I have even written to the '8 Marta' Factory in Gomel and asked them to send me socks by mail. But they sent back neither reply nor greetings. My wife and I are 'Chernobylites,' evacuated from the contaminated zone. We lost everything in our native village, everything, as they say, movable and immovable. And now, it seems the turn has come for socks? Dear editors, please help me obtain two pairs size 25 and two pairs size 27. Our last socks are falling to pieces, at this point, after all, you cannot even buy foot wrappings...."

What is one to answer to such a letter? After all, perhaps only to complain in the same tone as the author of such a sad epistle that the same problems exist in Minsk. And the journalists, just like all mere mortals, enjoy no benefits at all in acquiring scarce commodities. That answer would hardly put the reader at ease, but it would make us feel better, if only for having observed the propriety of official correspondence. Believe me, it is not out of disrespect for the reader that it must be done that way, but because of the distressing necessity.

And how will it be with letters like the one from Konstantin Grigoryevich Smolskiy, who lives in the village Kalybovka in Zhlobinskiy Rayon, who is disabled in Disability Group I? You cannot cut him off with conventional and standard reply. Because this letter is a cry for help from a man deprived not only of material sufficiency, but even of his health, his destiny, and, most terrible of all, of the attention of those who live alongside him and who have an official responsibility as well as a human duty to solve these problems.

"I am an old man, age 77, missing both legs. You may or may not believe me, but that is how it is. My clothes have fallen apart, I am ashamed to meet anyone. There is money, but no sizes for my height and build. Many times I have asked the Zhlobinskiy Rayon Consumer Union to allocate to my village store at least one padded cotton

suit size 60, a pair of pants, shirts, and knitted under-wear. Cotton is not good with crutches. But my old woman needs at least one pair of simple cotton dresses...."

As we see, people have money, but there is nothing to buy with it. And although in their letters the peasants do not refer to this phenomenon with the word "inflation," which is not very familiar to them and is too scientific, the fact that this phenomenon is a tragedy for society, the fact that it is instilling in people cynicism, severity, and indifference, can be traced in literally every sentence of any letter you take.

"We are now living on coupons," argued Mariya Savchuk of Kobrin, a labor veteran. "Sugar, flour, hulled and rolled products, macaroni products—all this is strictly rationed. And now since July we also have ration coupons for industrial goods. For women, there is a column of type on the tiny piece of paper: shoes, under-wear (t), underwear (b), hosiery. For men: footwear, socks, sock. All of this is calculated for half a year. If you want to buy winter boots—you go barefoot in summer and fall. One pair of panty hose for a woman to last six months! It is shameful to speak of. Because wherever the ration coupon system has not yet been introduced and where there is at least something in the stores, this innovation will simply make people laugh.

"Further," M. Savchuk writes, "children under age 13 must go to children's stores. So far, ration coupons are not being issued to them. But what will my neighbors do, for example, if their 13-year-old son wears size 42 shoes and size 48 clothing. The boy's parents are simply desperate, they are not able to properly fit the boy out for school.

"Hearing about these cases, one gets the impression that our authorities are thinking not so much about how to get out of the economic crisis as trying to create new and still more monstrous patterns of life for us."

What M. Savchuk wrote to the editors is the ungarnished truth. This summer, I had occasion to visit Kobrin and I saw all of this with my own eyes.

I saw inhabitants from several villages assembling in one of the rural soviets at the appointed time and place to receive their ration coupons. Disabled war veterans got there with great difficulty, leaning on their crutches, traveling several kilometers just to acquire the right to obtain socks. I saw how ceremoniously the staff members of the soviet's ispolkom behaved on that occasion—finally, work was found even for them! Two 70-year-old women could not understand the new and previously unknown letters which they read on the ration coupon: "Underwear (t) and underwear (b):"

What is the meaning of this 't,' and this 'b'? Dark underwear and light underwear?" one of them asked, pointing to the little poppy-red letters with a work-hardened thumb, looking them in the eye, but they were silent.

It turned out that these were the initials of articles of women's underwear....

It is, of course, sad to speak about such things. But we have to speak. Otherwise, those who are still far from the needs of rural areas in their plans and conceptions will never learn how people are living and suffering here today.

In writing to the editors, people are not simply telling about their own troubles. They are interested in the immediate future: How is it going to be? Judging by the arguments, rural inhabitants have pretty much given up on politics, on promises on the order of "Just wait another three to five years, and it will be easier." After all, many of them will simply not live that long.

And actually the point is not really the car which Nikolay Yurchenko, member of the Kolkhoz imeni Engels in Mstislavskiy Rayon, has been on the waiting list to purchase for 11 years now. Nor is it the furniture which the family of V. Akulich of Svetlogorsk has been unable to buy for now the fourth year since moving out of the zone of the Chernobyl Nuclear Power Plant. The point is the moral context that envelops the acquisition of all those things.

"The state of society is judged not from the castle the state has, but from the level of morality," a great man once said, and history has confirmed it time and time again.

"I have worked on the kolkhoz my entire life," N. Yurchenko writes, "and I have been a member of the CPSU since 1958. My wife also worked as a milkmaid until she retired. But it turns out that we have no rights. I have repeatedly turned to A. Petrovskiy, chairman of the Mstislavskiy Rayon Ispolkom. He does nothing but promise to help me. And when three cars came to the farm this year, he took one for himself, he gave one to the second kolkhoz chairman Kondratov, and the third they redistributed to the Sovkhoz 'Zabolote.' It was supposedly purchased there by the sovkhoz director (I do not know his last name). Perhaps we simple graingrowers are missing something in this behind-the-scenes 'arithmetic'? At this point, I know only one thing, that what counts is having privileges."

In order to get out of all our everyday troubles as fast as possible, the government intends to propose to us a program for the transition to a market economy. At this point, the peasants are not in a hurry to say what they think about this. On the basis of the few letters on this topic that the editors have received, one can even judge that they are more against the market than in favor of it.

Some of the readers even advise checking back with Lenin more often in resolving the issues important to the country. Some, for example, a person who lives in the village Velikoye Selo in Verkhnedvinskij Rayon, who signed himself with the initials "G.A.A." advises going to the other extreme—belief in God, in prayer. "I would

like it," writes the author who wanted to remain anonymous, "if SELSKAYA GAZETA published the dates of religious holidays and prayers. Our piety is already far behind the level of the piety of other countries. That is the reason for all our troubles."

Even this man is surely right about something. Although, in my view, Mikhail Bakunets, who lives in the village Tury in Stolinskiy Rayon, comes closest to unriddling the extremely complicated situation in his arguments.

"Just come to our Kolkhoz '17 Sentyabrya," the veteran said, issuing an invitation, "and you will immediately see that all the farm's managers have houses as pretty as a picture. Finished like lordly mansions inside and out. Everything in them has been painted, everything is finished. Inside there are carpets, expensive furniture, crystal chandeliers, and cars in the yard. But for the ordinary kolkhoz members there is not a single up-to-date apartment, no good club, no real everyday service center. The structures on the livestock farms are falling down, no windows, mud and trash everywhere. When will all this come to an end? For a long time, the managers have failed to see from their towers what is happening around them."

Our authors categorically reject "bigwigs" in the state of workers and peasants. They are agitated when they write about those who do not even know the prices of principal foodstuffs, how much it costs to ride public transportation, for whom the word "shortage" does not mean misfortune, but a blessing.

And still, as noted by A. Kostyushko, member of the CPSU who lives in the village B. Mysskoye in Smorgonskiy Rayon, our life is unimaginable without perestroika. "There is only one thing I would like to believe," we read in his letter, "that everything that is wrong will retreat into the past...."

Surely, that will happen. If only because the editors are continuing to receive an unending stream of letters treating the darkest corners of our life. And we are not to blame if we collect them, if all this seems somewhat "unprintable," as we used to say—unpatriotic. After all, we all understand that no "ennobling illusion" can be more precious than a "heap of bitter truths."

Resources, Transition Plans Detailed

914F0090B Minsk SELSKAYA GAZETA in Russian
24 Nov 90 p 2

[Response from the Belorussian Cooperative Alliance: "Response to the Article 'Who Is Living in a Castle?'"]

[Text] On 11 August, SELSKAYA GAZETA published under that title a review of letters about shortcomings in trade services to the rural population. The article was sent to Belkoopsoyuz for its reaction.

We have been told by L. Kotov, deputy chairman of the Board of Belkoopsoyuz, that the article "Who Is Living

in a Castle?" was taken up by the board and also examined in the appropriate cooperative organizations.

"Recently," L. Kotov writes, "an extremely unpromising situation has come about in the republic in supplying consumer goods to the public, especially those in the nonfood group.

"The commodity resources of the consumer cooperative make it impossible to meet the demand of the rural population for 1,864 items in the amount of 1,092.1 million rubles [R].

"Because of the improper approaches that have been taken to distribution of market stocks of consumer goods between the urban and rural population, sales per rural inhabitant are lower than in the city for 27 foodstuff groups out of 35, and for 50 out of 57 nonfood commodities. The Belkoopsoyuz Board has made a proposal to BSSR Mintorg and the republic Gosplan to equalize the per capita level of sales of goods. This effort has already begun in Grodno Oblast, where by the end of the year they plan to transfer from state trade to the consumer cooperative system R305,000 worth of sewn garments, R203,000 worth of hosiery, R200,000 of knitted underwear, and R760,000 of footwear.

"Taking into account the present situation with commodity resources, Belkoopsoyuz and local ispolkoms have taken a number of steps aimed at putting to rights the sales of scarce commodities. At the present time, technically sophisticated products—television sets, tape recorders, washing and sewing machines, vacuum cleaners, refrigerators, and furniture are being sold on the basis of lists kept by rural (settlement) soviets of people's deputies. Sugar, hard liquor, soap, and detergents are being sold on the basis of ration coupons or lists of local soviets. School uniforms are being sold according to the lists of the schools. Goods for newlyweds are being sold on the basis of invitations from the civil records office. In almost two-thirds of the republic's rayons, knitted underwear, bed linen, footwear, socks, and women's and children's panty hose have begun to be sold on the basis of lists of local soviets.

"Beginning on 1 April 1990, priority sale of building materials in great demand to individual builders began, and victims of the accident at the Chernobyl Nuclear Power Plant do not have to wait their turn.

"In order to prevent a number of consumer goods from being bought up and carted away, to see that the existing resources are used more optimally, to improve the supply to the republic's population, and to guarantee unity in organizing the trade in goods for which there is a high demand, BSSR Mintorg and Belkoopsoyuz have approved and sent out rules for the sale of goods on the basis of checks and checkbooks, and a temporary procedure has also been introduced for sales on the basis of 'calling cards' to purchasers who are citizens of Belarusian SSR.

"As for the request contained in the readers' letters to acquire certain nonfood commodities, the request of I. Kovalchuk, who lives in the village Dubrova in Yelskiy Rayon, has been met, and that of K. Smolskiy, who lives in the village Kalybovka in Zhlobinskiy Rayon, has been satisfied in part. An order has been put in for the commodity that is lacking, and as soon as it is received, K. Smolskiy's request will be fully satisfied."

New Chairman Interviewed on Role of Turkmen Trade Unions

914F0101A Ashkhabad TURKMENSKAYA ISKRA
in Russian 11 Nov 90 p 2

[Interview with A. S. Rizayeva, chairman of the Federation of Turkmen SSR Trade Unions, by special correspondent G. Shchepotkina: "I Am Counting on Everyone's Effort..."]

[Text] A. S. Rizayeva, a teacher by education and formerly a soviet worker, was elected chairman of the Turkmen SSR Trade Union Federation, created by the 11th Congress of Turkmenistan Trade Unions. She gave her first interview to our correspondent.

[Shchepotkina] Abad Sakhatovna, you are the country's only woman heading a republic trade union organization. This is of course not the first time such a thing has been seen in Turkmenia. But before, times were different. Today, in a time in which the Communist Party is changing and relations with other public organizations are being formed differently, and in which one would be hard-pressed to find anyone willing to make predictions even of the shortest range, you have assumed the leadership of one of the largest public movements. Aren't you afraid?

[Rizayeva] Well, what would you think of a person who takes you by the hand over a hazardous mountain pass and asks you to follow him confidently, after communicating in the same breath that he himself is afraid? Fear is not what we should be thinking about in my opinion: feelings are transient, and they do not always objectively reflect a person's state. What is required of me is to evaluate the situation soberly, without haste but without counting on a long working-in period either, to review my own creative potential—my life experience, my knowledge, and my purely human qualities, and distribute this potential in such a way that the payoff would be maximum. But the main thing, I must not count on success with reliance upon my own strengths alone. I lay great hopes upon those who have been involved in trade union work for some time, and on the numerous active members. My ultimate hope is that not one member of the trade union would remain in the role of a passive observer.

[Shchepotkina] You referred to purely human qualities which, as I understand it, are in your opinion the golden fund of the creative potential of each individual, and particularly of a leader. Which of them do you value especially?

[Rizayeva] Let me put it this way: The ability to live with people. This includes an entire complex of character traits inherent to an individual who carries out the most difficult mission on Earth in a way satisfying to himself and beneficial to all others—one who lives in a society of people like himself. Back when I first embarked upon the path of Teacher—it makes me happy that we are once again often writing this word with a capital letter—I created a certain image of the ideal person, toward which I have strived throughout my life. Ideal not for myself and not within myself, but primarily for others. From my point of view, continual adjustment of one's deeds is especially important to leaders. A leader, you see, does not simply live among people—he is at the center of their attention.

[Shchepotkina] I think we now understand your life's creed in general terms. Let's go on to the problems of the trade unions per se. The accountability report given by your predecessor, Ovezmukhamed Annamukhamedov, at the 11th congress of the republic's trade unions emphasized that trade unions are currently being reoriented on fulfilling their basic functions as defined from the very beginning—protecting the legal rights and interests of laborers. How do you interpret this?

[Rizayeva] I carefully studied the accountability report and the debates on it during my preparations for my trip to the 19th Congress of USSR Trade Unions. This idea is in fact a leitmotif in all documents, directly or indirectly attesting to a complete turn of the trade unions in the direction of the needs of the people. I think that we can already point to some successes. I think that they alone are responsible, for example, for the significant recent increase in trade union membership: There are now a little less than 1.3 million members in the republic. Growth of authority is a reaction to the democratization occurring in the trade unions.

[Shchepotkina] Now that the Federation of Turkmen SSR Trade Unions has been formed in place of the republic council, can we assume that this process will continue even further?

[Rizayeva] Certainly! Sector trade unions and territorial interunion trade union organizations have been combined, and on a voluntary basis at that. We are holding the doors of the federation open to other public organizations of laborers as well. We are independent in our actions, and we are independent of organs of state and economic control, as well as of political and other public organizations and movements.

One point I should clear up. Why is a federation needed at all, when everyone around us is trying to get out from someone else's tutelage? I think that ensuring full protection of labor, social and economic rights and the spiritual interests of the laborers is beyond the power of any one sector trade union. All kinds of things happen. Often they involve the need for dealing with an "alien" hierarchy: Not all problems are limited in their impact to just a single sector. Moreover, the trade union movement

as a whole is still unified. Therefore in the modern world, which is being torn apart by conflicts, a coordinator of action is simply as indispensable as air; a body which would consolidate the power of the trade unions so that they might carry out their purpose to the fullest is required.

[Shchepotkina] Recently I carefully read the Charter of the Federation of Turkmen SSR Trade Unions, and I came to feel sorry for those same coordinators, who have been given the heavy burden of consolidating the power of independent trade union units, brought together into the federation.

[Rizayeva] It is true that the rights of the federation's member organizations are many. But they also have a responsibility to the federation: to support its activities, including materially, to carry out its decisions, and to provide information on its activities. Working together, we will try to see that our joint activity will go on within the framework of the charter adopted by the congress, so that it would be beneficial to the laborer.

[Shchepotkina] How will this be ensured in practice?

[Rizayeva] The 11th congress of the republic's trade unions approved the program of action of our trade unions. We feel that practical efforts to carry out our protective functions in relation to all laborers, and primarily to the socially most vulnerable part of the population, must now become the most important thing for us.

Four main directions in which the trade unions will now concentrate their efforts are spelled out in the program. They include protection of the social, economic and labor rights and interests of the laborers; safeguarding their labor and health; educational work and implementation of cultural policy; further democratization and greater glasnost in trade union activities. All of these directions seem familiar. But the content of work done within these directions will change with change in the functions of the trade unions.

[Shchepotkina] For example?

[Rizayeva] Well, for example in connection with the republic's transition to regional cost accounting and the forthcoming activity to change it from a raw material economy into a region with a complete production cycle, the trade unions feel it necessary to take part in solving this problem, and in developing and implementing a program to provide jobs to the employable population.

Let me dwell in greater detail on the latter. The trade unions are planning to take a direct part in creation of a worker cross-training and advanced training system in connection with the shift in focus that may occur in the manpower requirements. We feel that creating new jobs is also our business. I think that these jobs will be created primarily in the sphere of services. We are also awaiting the opening of small enterprises and production operations, in which young people would be able to exercise

their right to work after graduating from educational institutions and completing their military service.

Our protective activities are being infused with new content. We are lobbying for introduction of unemployment assistance, and we are making preparations to submit proposals to draft and adopt, in this very next year, a Turkmen SSR employment law.

Of course, the solution to many problems having to do with protecting the social rights of the people is beyond the competency of the trade unions. But even here we intend to defend the interests of the laborers to the end. For example we will demand that the republic's government develop effective mechanisms of social protection, with regard for our proposals. But I've already talked about this. Let me just say that disabled and retired persons, large families, other low-income people and those who live on fixed incomes will be targets of our special protection. We are also thinking about defining the contents of the "consumer's market basket" and the subsistence minimum, reviewing it on a regular basis (in keeping with the pace of inflation), and paying appropriate compensation.

We have much work to do in connection with the forthcoming changes in labor law, with the increasing

role of the soviets of people's deputies, and with the new content being infused into the concept of labor.

[Shchepotkina] The trade unions are truly rising to a new level of activity in response to present and future changes in the society. But wouldn't this probably also require higher qualifications on the part of the trade union workers themselves?

[Rizayeva] Of course, this is foreseen in the program of action. Training of trade union workers and active members will be organized mandatorily on the basis of orders placed by sector and primary trade union organizations.

[Shchepotkina] We have touched upon just a very small number of aspects of the activities of the trade unions, and there are so many of them! Isn't there a need for legalizing all of these innovations at the legislative level?

[Rizayeva] Absolutely. A draft law on the republic's trade unions will be submitted to the Turkmen SSR Supreme Soviet for its examination this very year. And before this, we need to practically "test out" some of the innovations, and check out their different variants. And once again, let me emphasize that we, and I personally, lay great hopes upon the energy and interest of all primary organizations, organs and every trade union member in the success of our common cause.

END OF

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DATE FILMED

20. Feb. 1991

Average Maximum Retail Prices (Rubles per kilogram) (Continued)

Name	Existing Price			New State Retail Price	
	State Retail Price	Commission Price			
		Contract Price	Cooperative Price		
Defatted cottage cheese in wax paper, 0.25 kg	0.13	—	—	0.19	
35 percent cream in glass bottle, 0.5 kg	1.02	—	—	3.29	
25 percent sour cream in glass bottle, 0.5 kg	0.67	—	—	2.31	
Russian cheese	2.90	—	—	8.60	
Dutch cheese	2.90	—	—	7.60	
Zemgalskiy cheese	2.30	—	—	8.10	
Cheese with caraway seed	1.20	—	—	3.70	
Iyetsavskiy cheese	1.70	—	—	5.00	
Cuts of Beef					
Highest quality					
Sirloin cut, short loin cut, shoulder cut	1.90	3.50	—	12.20	
Quality I					
Rib-short plate cut, brisket cut	1.90	3.50	—	7.20	
Neck cut	1.50	3.50	—	7.20	
Quality II					
Front shank, back shank	0.50	3.50	—	3.00	
Flank	1.50	1.50	—	3.00	
Quality III					
Lower part of the back and front shanks	0.50	1.50	—	0.50	
Throat	0.50	1.50	—	1.00	
Cuts of Pork					
Category I (Cuts with skin)					
Quality I					
Ham, loin cut	2.00	12.00	—	10.20	
Quality II					
Shoulder cut, spareribs, flank cut	2.00	6.30	—	7.30	
Quality III					
Throat, salt pork	2.00	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Category II (skinless cuts)					
Quality I					
Ham, loin cut	1.80	12.00	—	10.40	
Quality II					
Shoulder cut, spareribs, flank cut	1.80	5.40	—	7.10	
Quality III					
Throat, salt pork	1.80	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Category III (skinless cuts)					
Quality I					

Average Maximum Retail Prices (Rubles per kilogram) (Continued)

Name	Existing Price			New State Retail Price	
	State Retail Price	Commission Price			
		Contract Price	Cooperative Price		
Ham, loin cut	2.00	6.30	—	8.40	
Quality II					
Shoulder cut, spareribs, flank cut	2.00	5.40	—	5.50	
Quality III					
Throat, salt pork	2.00	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Veal, lamb and goat meat will be sold according to free-floating prices					
Chickens (chicks) and broiler chickens, partially drawn	2.50	4.90	—	5.00	
Chickens (chicks) and broiler chickens, drawn	3.20	4.90	—	6.50	
Chickens (chicks) and broiler chickens with processed viscera	2.80	4.90	—	5.90	
Sausages					
Doktorskaya sausage, highest quality	2.20	—	—	12.30	
Yuzhnaya sausage, Quality I	1.80	—	—	7.10	
Dairy frankfurters	2.50	—	—	7.30	
Polony	2.00	9.10	—	7.50	
Latvian blood sausage	0.76	—	—	1.50	
Liver sausage, regular	1.7	—	—	3.90	
Daugavpilss semi-smoked sausage	4.00	—	4.00	8.00	
Tbilissi semi-smoked sausage	3.30	—	6.00	15.50	

Azerbaijan CP Official Calls for Strict Supply Distribution of Food

914D0118A Baku BAKINSKIY RABOCHIY in Russian
2 Dec 90 pp 1, 2

[Interview with F.E. Musayev, secretary of the Azerbaijan Communist Party Central Committee, by AZERINFORM correspondent: "Food Resources Adequate. Strict Control of Their Distribution Needed"]

[Text] A conference was held last week in the Azerbaijan Communist Party Central Committee. There they discussed questions of the provision of food to the population and preparations for the winter. Despite what would appear to be a traditional agenda, the convocation of the present conference was dictated by circumstances that, without exaggeration, are extreme in nature. In the republic itself as well as in the country at large, we are seeing a shortage of essential food products: meat, dairy products, flour, grits, eggs, etc., which quite naturally gives rise to a mood of dissatisfaction among the people. The onset of the winter period may greatly exacerbate the situation: many questions in the provision of power to Baku and a number of regions of the republic have not been resolved and the firing up of boiler rooms and the preparation of heating systems began late this year.

In discussing these problems, what conclusion was reached by those participating in the conference in the Central Committee? Is there hope that the coming winter will not be another one of the severe tests that have so often been our fate recently? This was the subject of the conversation between the AZERINFORM correspondent and F.E. Musayev, secretary of the Azerbaijan Communist Party Central Committee.

"I would not encourage too much optimism but I will present just one figure that speaks very elegantly," stated Fuad Enverovich at the beginning of the conversation. "In the first 10 months of this year, the republic's egg stocks have been overfulfilled by more than 21 million eggs. Almost this entire above-plan amount went to Baku. But you know very well what the true situation is with respect to eggs: it is now extremely difficult to find them not only in the stores of the capital city but often in the market as well, where 10 eggs sell for five rubles.

"In the first 10 months of this year, by the way, more grits and macaroni products were stocked than in the same period of last year. They are also absent in free trade, however. Baku received almost 800 tons of butter more than last year but it is not available either."

[AZERINFORM] What happened, did speculative demand once again play an evil joke?

[Musayev] Of course this happened too. But here there is a whole bouquet of interrelated problems that we brought out when we analyzed the situation. It must be said that we are doing a poor job of accumulating stocks for a large number of kinds of foods. Take meat, for example, where 88.8 percent has been acquired. That is, deliveries are short by 11,600 tons. Part of this quantity is due to Gosagroprom (4,300 tons) and part to the poultry industry (7,200 tons). The shortfall under subsidies was 2,500 tons. Milk stocks are 82 percent acquired. The delivery shortfall by the Ukraine amounts to 59,700 tons of flour and this is more than 90 percent of its obligations for the first 10 months. The flour situation is especially tense: it is only a four-day supply. We are provided with barely over half [of the required amount]!

In short, we are seeing economic ties disintegrate. Essentially the ukase of the president of the USSR on urgent measures for their stabilization is not working. And here, of course, there are reasons for concern....

But let us try to look at the problem from the other side. For, as a rule, most of the stocks that have been released reflect a real need of the population of the republic for different kinds of food. And that quantity falling short of the plans should in no way have led to the situation that we are now observing.

[AZERINFORM] How do you explain it?

[Musayev] The basic question is how the available supplies are delivered to the consumer. Today, unfortunately, essentially no one is monitoring this.

Here is an example: there is no meat or chicken in the stores—at best, the coupons are used for canned stewed meat. But if you go into any restaurant or public catering cooperative, they will give you all kinds of shashlik. Here they are just warming their hands on the shortages! Please tell us where the cooperatives are getting so much meat and poultry? Their number is growing like mushrooms after a rain and not one of them has its own subsidiary farm. It is rare that anyone has a contract with private farmsteads. It is clear that a significant share of state resources are flowing here.

The situation with flour is analogous. The republic's Ministry of Grain Products created a countless number of so-called "company" stores for the baking of bread, and private persons trade in bread on every corner. It is they who are pilfering the stocks of flour intended for sale to the population. There is no flour, but surplus bread is being used to feed livestock! But to a certain extent, flour in the home compensates for the shortage of meat: they use it to prepare a dozen dishes of our national cuisine.

Here they have also reduced processing capacities: there is grain—stocks of it for three months—but there is no place to grind it.

And what is happening with cigarettes? There is open speculation but law enforcement agencies and local soviets appear not to notice this....

[AZERINFORM] As far as I know, the Central Committee specified a program of measures to normalize the food situation in the republic....

[Musayev] Yes, we worked out our own proposals based on the experience in the work of party bodies of the republic. As of today, unfortunately, the local soviets do not yet possess real instruments of authority. The economic tools on which so many hopes had been placed are not working either.

It is clear that these are, as they say, temporary difficulties having to do with the transition to new administrative structures. But the existing situation requires urgent measures: it is necessary to feed the people. It is no accident that the situation in the country was put on the agenda for the session of the USSR Supreme Soviet. And we cannot sit by idly in the expectation that everything will come about by itself.

[AZERINFORM] What measures is the Central Committee proposing to stabilize the food situation? Is there hope that they will be realized? After all, today not even presidential ukases are being carried out.

[Musayev] Here, of course, not the least role must be played by public opinion, especially primary party organizations, the working class and the aktiv of deputies, and, in general, by all of us being imbued with a consciousness of the unusual nature of the situation and with the understanding that if today we do not put pressure on those who are indulging the dealers and speculators and showing disdain for their duties and party card, then ultimately we will only exacerbate the prevailing chaos from which we are all suffering.

Among the operational measures, we are proposing prohibiting enterprises from arbitrarily exporting food commodities produced in the republic, with the exception of interrepublican deliveries. Although here as well, we think, there is room for maneuvering: we are proposing the study of the possibilities for the reduction of exports of products in interrepublican deliveries in the month of December and of utilizing the freed resources as an exchange stock for food. We also consider it necessary to prohibit the release to cooperatives of all kinds of food through state resources and the temporary banning of deliveries of poultry and eggs to company stores of the poultry industry, concentrating all of this output in the stores of state trade and consumer cooperatives. It is temporarily expedient to concentrate all basic kinds of food, including meat, butter, and dairy products in the state trade system.

It is also necessary to put in working order all water and mechanical mills in the rayons so as to limit the delivery of flour to the rayons from Baku. This will make it possible for us to ensure the standard supply of flour at bread-baking enterprises. Considering that rice is the

most widely consumed product in our republic, we are proposing that we increase its deliveries to the republic at the expense of stocks of other hulled products that are less popular here.

It is likewise essential to set, in the first place, a standardized distribution of commodities to particular hands and to establish deputy posts at all trade facilities, depots, flour-milling combines, and other enterprises producing food products. It is also necessary to control the movement of food freight on the railroads. Overall one should tighten up measures to protect food freight.

For operational review of the problems having to do with food, it is essential to establish a republic commission. Analogous commissions must be established in the rayons.

All of these measures, of course, must be supported by the strictest control on the part of public opinion and on the part of law enforcement agencies. I must say that the Azerbaijan Communist Party Central Committee is greatly concerned about the position taken in this matter by the party gorkoms and raykoms: essentially they are taking no action. Nor are the soviets of people's deputies performing the functions of their authority: there is complete indifference toward everything that is happening all around! They occupied some easy chairs and were satisfied with that. But they were elected by the people! What are they counting on?

I wish to note that the Central Committee will most strictly call to account the secretaries and leaders of local authorities—all those who still have a party card in their pocket—for the nonperformance of their duties and above all for not wishing to help establish order in the provision of the population with food. Today this must be a matter of primary importance for every communist and especially for those who have been given a certain amount of authority.

[AZERINFORM] We would like to believe that all of this will help establish order in a short time. Especially since a ukase was issued by the president of the USSR on strengthening working control for the purpose of establishing order in trade and representatives of this body have now been given the broadest powers.

But we are all still concerned about the coming winter. Fortunately, the weather is still cooperating.

[Musayev] Yes, the forecasts for this winter make one stop and think. It is expected that the shortage of electric power in Transcaucasia will be 600,000 kilowatts. The situation with respect to the provision of gas and heat is not the best. We have analyzed the situation in this connection as well and we know all of the sore points. It is now necessary to mobilize all human resources and technology, especially to accelerate work in preparing heating systems, which was greatly delayed in getting started this year throughout the republic. After the conference in the Central Committee, by the way, many shortcomings in Baku have already been overcome. In

this connection, we again do not sense the proper concern of local soviets about these problems. Many boiler rooms have not yet been activated in Baku. Many schools, kindergartens, and departmental buildings are without heat. Not to mention the fact that throughout the republic the introduction of new capacities and the schedule for the conclusion of capital repairs at large facilities for the supplying of power and heat is being disrupted.

Participating in the conference that we held were heads of all interested ministries and departments and representatives of local authorities and law enforcement agencies. They have all been given specific tasks in the prompt adoption of measures. They must inform the Central Committee on their execution within a few days. In particular, we expect a report from Gosagroprom on what measures have been taken for the unconditional performance of the plans for the delivery of food. I think that we will be able to influence the situation and significantly alleviate the situation in the republic's consumer market.

[AZERINFORM] We fully share your hopes and therefore we wish you success in the work that we have begun.

GOODS PRODUCTION, DISTRIBUTION

RSFSR Agroprom Statistics Show Hunger No Threat for 1991

914D0104A Moscow ARGUMENTY I FAKTY
in Russian No 1, Jan 91 p 2

[Article by V. Nefedov, chief of the directorate for statistics of the agro-industrial complex of the RSFSR State Committee for Statistics and candidate of economic sciences, under: "Where There Is Private Ownership of the Land, There Is No Hunger" rubric: "Is Hunger Threatening Russia?"]

[Text] Unfortunately, such a question is now being asked frequently, although there was much talk in the summer about an unprecedented harvest. How much food was produced in the Russian Federation last year and is there enough of it for the winter?

Overall for the RSFSR, the production of gross agricultural output declined by three percent relative to 1989 in comparable prices. A rather large harvest of grain crops was brought in: 127 million tons bin weight and 116.8 million tons storehouse weight (after processing), which is 11 percent more than in 1989.

The volume of milk production was at about the level of 1989—56 million tons—as was meat production (10 million tons dressed weight). At the same time, the production of eggs declined by three percent, amounting to 47.5 billion eggs. The republic's industry increased the output of food products somewhat.

As for the "second bread"—potatoes—the harvest was 31 million tons, or 8 percent less than in 1989. They dug

10.5 million tons of tubers at public farms and the remaining 20.5 million tons (66 percent of the total harvest) at farms of the [private] population.

On the average, 79 quintals of potatoes were harvested from each hectare in the public sector, whereas for the private population the harvest was 114 quintals per hectare on similar lands and under the same weather conditions, without a lot of commotion, extreme measures and the involvement of extra workers in the harvest. The total harvest of vegetables was 10.3 million tons, sugar beets 30.6 million tons, and sunflower seeds 3.4 million tons, which was 8, 18 and 10 percent less than a year ago, respectively.

Calculations show that the production of agricultural output in Russia, taking into account food imports, will be sufficient to ensure a per capita consumption in 1991 that is not below the level of previous years.

So there is no justification for talk about impending hunger, although a tense situation has developed in the food market. The practice of the rationed distribution of basic food products is expanding. Despite the fact that 1990 deliveries of food products to trade from state resources were almost equal to the level of 1989 and those of grits, macaroni, candy, tea, herring, canned fish and edible fat even increased somewhat, many products came to be in very short supply. The people who have been standing in lines have no confidence in tomorrow and are stocking up on food.

On the average for the republic, according to the latest survey, personal stocks of macaroni products were sufficient for 40 days, rice and sugar for 50 days, and flour and grits for three months in terms of average per capita consumption, which is significantly more than a year ago.

Moscow, Leningrad, Sverdlovsk, Chelyabinsk and other industrial centers were in an especially difficult situation. The difficulties in supplying the population with food products are largely related to the fact that under the conditions in which the previous administrative-command measures are not operating and the attempts to apply new measures—economic measures, including the introduction of new purchase prices, "Harvest-90" checks, purchases of grain for foreign exchange and the countersale of material and technical resources—are not having the desired effect, great problems arise in the formation of state food resources and there is a breakdown of deliveries between republics, krays and oblasts.

The farms [khozyaystva] of the RSFSR sold 34 million tons of grain to the state (71 percent of the state order). This amounts to only 28 percent of its gross harvest. There were significant reductions of sales of potatoes and fruit and vegetable output. The farms fulfilled less than half of their contractual obligations for the sale of potatoes, 78 percent for vegetables and 56 percent for fruit and nuts, although the resources were available in many regions. They did not fulfill the state order for the

delivery of potatoes, vegetables and fruit to Moscow, Leningrad and other industrial centers and rayons of the Far North.

Major destabilizing factors are the abuses in the entire chain of the food supply, cases of economic sabotage, serious failures in organizing the transportation of food products and the unloading of railroad cars, the creation of an artificial shortage and speculation.

With the exception of losses that unfortunately are large, the products produced in the republic will end up on people's tables one way or another. But the channels through which they reach the consumers will change somewhat. In connection with the reduction of the quantity of potatoes, fruit and vegetables in state resources, people will have less opportunity to acquire these products at relatively low prices in state trade and will more often buy them at higher prices in consumer cooperatives and at kolkhoz markets. Prices in the markets will rise sharply because of the increase in demand for food and the higher purchase prices for grain, livestock and poultry. They are also being raised artificially. High prices put people with low incomes in a difficult position, especially pensioners and families with many children.

In Russia, there are 1.5 hectares of agricultural lands per capita (0.5 to 0.7 hectare in Bulgaria, Hungary, Yugoslavia, Poland, France and Finland and 0.3 hectare in Great Britain). Only two percent of the total area of agricultural lands is in private plots (0.03 hectare per inhabitant of the republic). They provide 22 percent of the gross output. For this reason, as soon as possible one should freely turn the land over to ownership by all citizens wishing to be involved in farming as well as horticulture and gardening. After all, Russia has an enormous potential that allows it to resolve the food problem in a short time. All of this will help to stabilize the situation in the society and to establish a calm atmosphere for the formation of a market infrastructure.

Conversion: Estonian Uranium Plant To Produce Consumer Goods

914A0336A Tallinn MOLODEZH ESTONII in Russian
20 Nov 90 p 1

[Report by ETA correspondent F. Kaazik: "Conversion Sillamyae Style"]

[Text] Uranium production has ceased at the Sillamyae Chemical-Metallurgical Association. The premises have been emptied of equipment. Some of it has gone for scrap and scrap metal, some is to be decontaminated. According to the chief engineer at the association, Valentin Sushko, by the end of the year everything should have been completed. The available premises will be used for the production of goods for the national economy.

What does this conversion mean for the enterprise? First of all a switch to the production of output to satisfy the

consumer--permanent magnets, catalysts, artificial emeralds, fabric for air filters, respirators, fertilizer, components for the manufacture of paints. V. Sushko names many enterprises in Estonia as consumers—the Pyussi Wood-Particle Board Plant, "Vazar," the Maardu Plant, collective and state farms. Incidentally, permanent magnets are a very promising product, and in this field cooperation is under way with a West German company, using local raw materials. This output is essential for everyone who produces domestic instruments. It is planned to produce boxes for video cassettes in cooperation with a company in the United States.

Interest in Sillamyae's new peaceful output is also being shown in the Soviet Union, and all necessary conditions exist for successful barter. V. Sushko believes that Estonia could obtain goods from virtually every republic for the association's output. The enterprise is still subordinate to the Union Ministry of Atomic Energy and Industry. In answer to the question of how relations are being set up with the Estonian Republic, V. Sushko replied diplomatically that there is a certain amount of caution vis-a-vis the enterprise here. In his opinion, the Estonian Government is underestimating the capabilities in Sillamyae. Moreover, at this time the association is firmly tied to the Union ministry in matters of supplies. In the event that there is a move to separate the enterprise, it could be converted, for example, into a joint-stock company. Perhaps then it will be easier to find a common language. For the time being a course has been set toward expanding cooperation with enterprises in Estonia. Does the secret nature of the enterprise interfere with the work? In the opinion of the chief engineer there is no difficulty. Of course, every enterprise has things about which they do not speak aloud, for example, prime costs. For it is, after all, a matter of competition, particularly in the foreign market. And the people in Sillamyae do have such a market.

PERSONAL INCOME, SAVINGS

Statistics Show Poor Growing Poorer

914D0084A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 15 Dec 90 p 2

[Unattributed article: "And the Poor Are Growing Poorer"]

[Text] According to one of the laws of economics, the lower the income someone has, the larger the part of that income that someone has to spend on food.

As we have been informed by the Goskomstat [State Committee for Statistics] and the VTsSPS [All-Union Central Council of Trade Unions], about 45 million people in our country have an income below 70 rubles [R] a month, 71 million people have an income of about R100 per capita. Meanwhile, the figure of the subsistence minimum—the so-called "poverty threshold"—is computed differently by different organizations.

The Goskomstat sets it at R85 a month (last year it was R78).

Trade unions raise this level to R99 (considerably higher in Moscow), as they think that, apart from the inflation rate, one has also to account for harmful, but hard to get rid of, habits (about 70 million people in the country smoke, for instance.)

The Institute of Population and Social Studies sets this minimum at R90—R95. According to its data, the average income of our white-and blue-collar workers increased in 1989 by eight percent, the income of peasants increased by seven percent. However, the inflation rate was 7.5 percent. So, the number of low income people will not diminish in the nearest future. And such people (with per capita income of under R100) make up almost 28.3 percent of the entire population.

The Goskomstat informs us that prices rose in 1989 two or two and a half times on an average. For the low income people that increase was 5.6 percent higher, in small towns especially.

It is obvious that these are the people of the "risk group" that will be the first ones affected by the worsened food situation.

Insurance Payments Into Pension Fund Described

914D0113A Moscow IZVESTIYA in Russian 7 Jan 91
Union Edition p 2

[Article: "About Contributions to the Pension Fund of the USSR"]

[Text] The USSR Council of Ministers confirmed the conditions and procedure for compulsory insurance payments to the USSR Pension Fund by citizens.

In accordance with the Law of the USSR "On the Provision of Pensions to Citizens of the USSR" and the decree of the USSR Supreme Soviet "On the Procedure for the Introduction of the Law of the USSR 'On the Provision of Pensions to Citizens of the USSR,'" compulsory payments to the USSR Pension Fund are set at one percent of wages.

Compulsory insurance contributions must be paid by all categories of citizens subject to state social insurance in accordance with prevailing legislation.

The insurance contributions to the USSR Pension Fund are paid by workers and employees from wages, by members of cooperatives from the income received in the cooperatives, by kolkhoz members from all forms of remuneration in the social economy of the kolkhoz, by citizens working in religious organizations, including the clergy, from income received from the work in these organizations, and by other persons subject to state social insurance from received income.

Compulsory insurance contributions of citizens will be deducted from wages and retained by enterprises, institutions and organizations at the place of payment of wages (income).

The wage (income) for the calculation of compulsory payments of citizens is defined in a manner analogous to that of wages (income) for which contributions are calculated for state social insurance by enterprises, institutions and organizations.

When there are multiple jobs and compulsory insurance payments made other than at the main place of work, the administration of the enterprise, institution or organization is obliged to report on the amounts at the place of the primary work of the citizens. Compulsory insurance contributions will be set forth in a special insert in the labor book.

Compulsory insurance payments of citizens to the USSR Pension Fund must be transferred by enterprises, institutions and organizations in the manner and time established for the making of payments to state social insurance.

Offices of the USSR Pension Fund, together with state tax inspectorates, are entrusted with monitoring the correct and timely receipt of compulsory insurance payments to the USSR Pension Fund. Enterprises, institutions and organizations are obliged to provide these offices and inspectorates with the information on the transfer of the compulsory insurance contributions of citizens that is needed for control.

Officials of enterprises, institutions and organizations bear responsibility in the established manner for the incomplete and untimely retention and transfer of compulsory insurance contributions to the USSR Pension Fund.

The conditions and procedure have also been affirmed for the state social insurance of persons employed in individual labor activity, including under the conditions of individual (group) leasing or in personal peasant farming.

The state social insurance of these persons will be accomplished on a voluntary basis.

In accordance with the Law of the USSR "On the Provision of Pensions to Citizens of the USSR," those employed in individual labor activity have the right to a labor pension under the condition of the payment of insurance contributions to the USSR Pension Fund. They receive the right to other forms of security under state social insurance established for workers, employees, and members of cooperatives under the condition of the payment of insurance contributions to the USSR Social Insurance Fund.

Those employed in individual labor activity have the right to state social insurance either in the USSR Pension Fund and the USSR Social Insurance Fund simultaneously or in one of these funds. The payment of labor

pensions and other forms of security of these persons will be accomplished through the means of the USSR Pension Fund and the USSR Social Insurance Fund.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are paid by those employed in individual labor activity from their income at rates foreseen for insurance payments to these funds from the remuneration of the labor of workers, employees, and members of cooperatives, including the compulsory insurance payments of citizens. The amount of the income is determined in a manner set forth in Article 19 of the Law of the USSR "On the Income Tax from the Citizens of the USSR, Foreign Citizens, and Persons Without Citizenship." If a person is employed in individual labor activity based on a license, he makes insurance payments from the amount of income determined as the basis of the payment for the patent.

Persons employed in individual labor activity and expressing a desire to receive pensions and other forms of security turn to the offices of the USSR Pension Fund and USSR Social Insurance Fund at their place of residence and complete their obligation.

The corresponding office of the USSR Pension Fund or USSR Social Insurance Fund will assign each insured person a registration number and notify him of the insurance rate and the time for the payment of insurance contributions.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are paid in the following manner: in each quarter, the insured party pays 25 percent of the annual sum of insurance contributions calculated in accordance with the income of the previous year and those paying insurance contributions for the first time pay 25 percent of the amount calculated in accordance with the expected income for the current year. At the end of the year or termination of the individual labor activity, the total annual contributions to the USSR Pension Fund (USSR Social Insurance Fund) are calculated in accordance with the income actually received and the difference between this sum and the sums paid during the year is subject to recovery from the insured or reimbursed to them by 15 March and within a period of 15 days in the event of the cessation of individual labor activity. In the event of a significant increase or decrease of income during the year, the insurance contributions may be recalculated at the wish of the insured.

Citizens engaged in peasant farming will pay insurance contributions to the Pension Fund (USSR Social Insurance Fund) once a year after the determination of the final amount of the annual income for each member of the peasant farm but not later than 15 March of the year following the year for which the insurance contributions are made.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are made (transferred) to the corresponding account of the USSR Pension Fund

(USSR Social Insurance Fund). The social insurance of those engaged in individual labor activity ceases at their request beginning the first of the month following the month in which the request is submitted. Offices of the USSR Pension Fund (USSR Social Insurance Fund) are obliged to issue to persons terminating insurance or changing their place of residence a report on the payment of insurance contributions, which is a confirmation of the length of service giving the right to a pension or other kinds of security. Paid insurance contributions are not subject to reimbursement here.

The offices of the USSR Pension Fund (USSR Social Insurance Fund) together with state tax inspectorates are entrusted with the monitoring of the timely and full receipt of insurance contributions.

The present regulation also extends to creative workers who are not subject to state social insurance. The income from which the insurance contributions are collected is thereby determined on the basis of a declaration of annual income.

Questions on Personal Taxes, Social Insurance Answered

914D0100A Moscow KOMSOMOLSKOYE ZNAMYA
in Russian 12 Dec 90 p 3

[Article by D. Dobrovolskiy under: "Or the Topic of the Day" rubric: "War Against Taxes and Taxpayers"]

[Text] Donetsk—It is generally known that we work inefficiently. It is no secret that we are paid even worse. On 15 May of this year, however, the USSR Council of Ministers issued a decree under which 37 percent of the wage fund will be withdrawn to the state social security fund (and another one percent directly from wages to the pension fund). And many intuitively sensed a trick—they are certainly taking a lot. But can you really fight the state in the person of an accountant who always withholds something from your wages? No one has ever explained to us why it is so much and where it is used.

But they will now begin to calculate almost four times as much! Let us say that a certain Sidorenko labors at the plant. You see that 40-50,000 accumulates over the years of his work (what interest he could have earned if this were put in a savings account!). Sidorenko was on sick leave only once, he did not accept passes to sanatoriums and he died at the age of 60 (men in our nation live approximately 11 years less than those of the same age group abroad). And his pension was pitiful. But Sidorenko left behind some children, who were not able to save anything for furniture and a television set. Where is the justice?

It is most curious that this decree "slipped through" in our "revolutionary-perestroika time of the triumph of glasnost and democracy" and that the "go-ahead" for this action was given by the valiant official trade unions, which changed their shingle, thereby seeming to distance themselves from the stagnant past. Then, becoming

noticeably braver, they cursed the market and cooperators. But actually behind this decree are the billions from a worsening of the prosperity of people.

Actually it was the All-Union Association of Trade Unions of Working People of the Cooperative Enterprises of the USSR, with headquarters in Donetsk, that rushed to look into this "deal" and to sound the alarm. A special seminar was convened here the other day. There we learned many interesting facts about our reality.

N. Myagkova, jurist:

The fact that the former AUCCTU [All-Union Central Council of Trade Unions] headed by V. Shcherbakov did not argue with the government but agreed to such a constraining version is reason for dismissal. For even the president of the USSR understood that "they went too far" and reduced the tax rate for 1991 to 26 percent with the ukase of 5 October. But why 37 or 26, when one may also say 50, 60 or 15 percent? Calculations and scientific grounds are needed but they do not exist. We decided to do them ourselves with the help of scientists.

Z. Lukanova, specialist on social security matters:

The new insurance tariff is a blow to the pocketbook of working people and state enterprises as well as cooperators, only in different forms. The production cost of output will rise and hence so will prices, the income of enterprises and wages will decline. But this is not all. The most interesting thing is something else.

It would seem that the higher taxes have to do with the increase in pension. But the tax increased by a factor of four, whereas the increase in the pension was insignificant. Secondly, the new law on pensions will basically not go into effect until 1993 (pension payments will increase little in 1991). On the other hand, they want to withdraw huge sums beginning as early as January 1991. The result will be a fork. Thus, the recently established All-Union pension fund (and this is a cumbersome new structure) will take control of about 100 billion rubles [R] in 1991 alone. The republics must not turn this money over to the center senselessly. But this is not all either. The decree of the USSR Council of Ministers on 15 August of this year provides for the unfair redistribution of the resources. It would seem that the social security fund will increase excessively. But 80 percent of its assets will be withdrawn to the pension fund and only 14 percent left for social security. In 1991, for example, R95.5 billion will go to the pension fund and only R15.6 billion will remain for social needs. This is little more than half of what was spent in 1990 for the most necessary things: the payment of hospital care and treatment at sanatoriums and resorts, the support of departmental kindergartens, etc. It is possible that in this way the government wants to patch some holes in the current budget but what is the purpose of the social security fund here?

And it is no accident that the participants in the conference passed a resolution in which they called upon the

republic parliaments to put a stop in their territories to the action of the decree of the USSR Council of Ministers on the formation of a pension fund and the corresponding ukase of the president and also demanded that the All-Union government present the necessary calculations and justifications.

It is necessary to have a new concept for social security that would provide for personal accounts for all working people, the right to inherit pensions, etc.

By the way, such studies already exist. This is what **G. Karpichev, Leningrad representative of the independent trade union "Unity" [Yedineniye] reported:**

In Kazan, the former AUCCTU maintains an entire research institute on social security questions. But the latest studies by scientists no longer suit their bosses, for now the central system of the trade unions is taking and distributing 94 percent of the funds and leaving just six percent in the localities. The scientists showed that it is sufficient to centralize 24 percent and to leave the remainder in the localities. The interest of the insurers will thereby increase greatly. There are also other studies, e.g. on the most rational and fairest commercial insurance. Our trade union will cooperate with the institute in Kazan.

The statement of **M. Zakharov, chairman of the Commission on Social Policy of the Russian Supreme Soviet**, was quite notable. He told of a new pension law that is supposed to be adopted in this republic very soon and of the conservative position of the central and the official Russian trade unions.

After the conference, its founders organized a small party in a private restaurant, which confirmed that our land has not yet become completely impoverished.

Certainly the readers will ask: What kind of a trade union is this that sharply criticizes the government and official trade unions, why was it founded in Donetsk instead of in Moscow, how is it financed, etc.?

We are indeed talking about a phenomenon. The All-Union Association of Trade Unions of Working People of Cooperative Enterprises is growing and becoming stronger unusually rapidly, although the official structures do not like it.

As of today, 89 large regional organizations (from the republic to the rayon level) have joined this association and individual collectives, lease and state enterprises are also joining. For example, the oblast trade union "Rembyttekhnik" expressed such a desire, as did the large trade union of the trust "Donetskselstroy." For the time being, they have asked that other state organizations not be revealed: it is not so easy for them to move from a state to a nonstate trade union.

The secret? The association centralizes only six percent of the trade union dues and all the rest remains and is expended in the localities. As its president Yu. Pivobarov reported, its headquarters does not deal with distribution and redistribution. The main thing is the juridical defense of the movement and its members exclusively through legal methods as well as the defense of social interests. It is notable that the association, which includes about 1 million people, has a staff of only 10 occupying six rooms. The staff is mobile, energetic and well paid. The conference in Donetsk was the third in the last few months. A major international fair-market is being prepared for the spring. The juridical service is the largest in the system. The financing of any programs is voluntary for all organizations in the association. Scientists and deputies at different levels are actively cooperating with this association. Representatives of oblast branch trade unions participated in the conference but the former oblast council of trade unions ignored it.

The lack of communication between the association and the Ukrainian parliament must be seen as a shortcoming. It would be useful for the deputies of the republic to take part in such a forum, because the Ukraine has to work out its own policy in the area of social security and pensions.

ENERGY COMPLEX ORGANIZATION

Atomic Energy Official on New Scale To Rate Nuclear Mishaps

914E0037A Kiev RADYANSKA UKRAYINA
in Ukrainian 30 Nov 90 p 3

[Interview with state inspector V.V. Stovbun by O. Breus: "Scale of Danger for AES"]

[Text] As of September of this year, a scale for rating extraordinary occurrences at atomic electric power stations has been introduced in our country. It was elaborated on the basis of the scale proposed by an international group of experts. Explanation about the purpose and use of this scale is provided by the direction of the public information and communication group of the South-Western Region of the State Atomic Industry Control of the USSR, state inspector V.V. Stovbun.

[RADYANSKA UKRAYINA] Victor Vasylovych, is it really necessary to rate individual events at atomic stations, when we often hear calls for a reassessment of atomic energy in general? Is this not simply an attempt to confuse the public?

[Stovbun] The public, especially the population living close to an AES [nuclear electric power station], shows a completely understandable concern and interest about any events occurring at atomic stations. It has long been time to dispel the fog of secrecy around atomic energy, which fosters the growth of rumours. And although some of them, as we now see, were not without foundation, most of them were fabrications. It is obvious that this "method" of informing the public must be stopped. The government and atomic departments have finally understood that the continued use of atomic energy without widespread provision of information about everything that occurs at AESs and around them, without the necessary work with the public and the population, is unthinkable. Work of this type has long been done, and not without success, by atomic specialists in all developed countries. I learned about this during my mission to the United States. As far as the use of atomic energy, in the United States, for example, a program is presently being considered which views further construction of AESs as the only rational source of electric energy.

Incidentally, in September, inspectors from the United States nuclear regulatory commission, which controls safety within the nuclear industry and at AESs, were in Kiev. They also visited the Khmelnytskyi atomic electric station. They measured the levels of radioactivity at the AES and in the city of Netishyn, using their own instruments. According to them, the levels everywhere were significantly lower than in comparable places at American AESs. The guests were satisfied with the station itself and with its operation. Incidentally, they stated that the forms and methods of control of AESs are quite similar in the USA and the USSR. But in their view our work with the public and the population is at quite a low level.

So let us return to the subject of informing the public about irregularities at AESs. According to the principles we go by, every unplanned stoppage of an individual equipment group or a whole energy unit is qualified as a "disturbance in the functioning of the AES." However, different disturbances pose different measures of danger to people and the environment. Just as there are different types of damage to a car. A stoppage because of an engine problem does not pose a danger. A stop resulting from the malfunctioning of the steering mechanism, which does not cause an accident, poses a potential danger. And a collision caused by brake failure—this is already an accident.

The complexity and large number of systems in the AES, the subtleties of specialized terminology, make it impossible to communicate in as brief and understandable a manner the degree of danger of an occurrence at an AES. In France, Japan and other countries scales are being used for rating occurrences at AESs which can be compared to scales rating the strength of earthquakes or wind forces. A scale of this type has also been elaborated by the International Atomic Energy Agency. Now a similar scale has been introduced here.

Its purpose is the operative assessment of the real or potential danger posed by occurrences at AESs to people and the environment, and the communication of this information to the public through the mass media. The occurrences subject to rating by this scale are only those involving nuclear and radiation safety. Events which do not relate to safety are rated as being below the scale, that is, at zero level. Accidents and incidents of a technical character or other occurrences which are not linked to the work of atomic institutions, are not rated by this scale and are defined apart from the scale.

The scale consists of seven levels: an insignificant incident, an incident of medium significance, a serious incident, an accident within an AES, an accident with threat to the environment, a serious accident, a global accident.

The first two levels do not pose a real danger to the population or the environment. The third level reflects a certain danger, but only a potential one. That is why occurrences at the first three levels are called incidents, and not accidents, in contrast to the last four levels.

[RADYANSKA UKRAYINA] What criteria are used to decide at which level of the scale an occurrence at an AES is rated?

[Stovbun] The criteria are, first of all, radioactive emissions beyond the limits of the AES; second, contamination at the AES, excessive radiation of the personnel and damage to the reactor; and, third, deterioration of multiple-stage protection. That is, criteria are used which characterize the safety of the reactor, or, more precisely, the safety of people in relation to the condition of the reactor and its protection. There are also other conditions, which do not directly affect safety, but which call for increasing the level of the occurrence by one degree.

This would include, for example, occurrences which show flaws in the safety-maintenance procedures.

The first and second levels of the scale reflect a decrease of the preparedness of protection systems and are not linked with radioactive emissions, radiation of the personnel or damage to the reactor. The third level reflects the loss of multiple-stage protection, or excessive radiation of the personnel, or a very insignificant external radioactive emission—at a level not above the existing limits. The fourth to the seventh levels are linked with radioactive emissions ranging from small levels to levels which significantly affect the health of the population and including damage to the reactor. Incidentally, the levels of emissions are measured more strictly by our scale than by the International Atomic Energy Agency scale.

By way of example, let us cite the two best known occurrences at AESs. The Chernobyl catastrophe is rated at the seventh level. The accident which occurred in the USA in 1979 at the Three Mile Island AES was linked with serious damage to the reactor, but did not lead to large emissions of radioactivity into the environment; it is rated at the fifth level. Most of the occurrences at our AESs which have recently been reported in the press would be rated at the zero, first or second levels.

[RADYANSKA UKRAYINA] Who does the rating of AES occurrences, making use of the scale that has been introduced?

[Stovbun] At every AES people are designated as responsible for assessing occurrences and relating them to a given level on the scale. They have to take a special course to learn how to rate occurrences at AESs.

[RADYANSKA UKRAYINA] Does this procedure not lead to rating the safety of an occurrence at a lower level, or at least, to subjectivity in its assessment?

[Stovbun] The rating of an occurrence carried out at the atomic station is necessarily linked with an inspection by the State Atomic Industry Control. As to subjectivity, one can hardly claim to absolutely avoid it in all cases. But often all the details of an occurrence become known only after a special, usually long-lasting investigation is carried out; incidentally, this investigation is done and was done earlier, independently of the rating by the scale, in every case of disturbance in the operation of an AES. That is why the rating of the occurrence that is done on the spot is preliminary, and it may be made more precise after the completion of the investigation. The main value of the scale lies in the fact that it makes it possible to obtain preliminary information in an operative manner about an occurrence at an AES and notify the public about it. Information about occurrences rated below the fifth level of danger is communicated to local media within five hours; about occurrences at the fifth, sixth and seventh levels—immediately. And after the Chernobyl catastrophe, there is no need to explain how important this is. But the purpose is not only to warn the population about danger. If AESs work

in conditions of openness, of inevitable public discussion about dangerous violations, this will lead to an increase in the responsibility of all professional workers connected with atomic energy.

I think that if in its time information about occurrences at AESs had not been hidden behind "seven seals," even from specialists, we would not have had the Chernobyl catastrophe.

Government Program to Overcome Energy Deficit Examined

914E0044A Moscow *PRAVITELSTVENNYY VESTNIK* in Russian No 51, Dec 90 p 3

[Interview with Vitaliy Vasilyevich Bushuyev, Director of the Subcommission of the USSR Supreme Soviet on Power Engineering and doctor of engineering sciences, by L. Tsvetkov, chief specialist of the Information Section of the USSR Council of Ministers: "The Power Deficit. How Is It To Be Avoided?"]

[Text] We talk about the State Power-Engineering Program which the government developed.

The draft of the All-Union Agreement calls for, in Article 5, which defines the authority of the Union, "control, jointly with the republics, of the country's Unified Fuel and Power System." And this is understandable. There is not one important state figure, politician, executive, or scientist, no matter how hot the arguments are around problems of "sovereignty," who doubts that the fuel and power complex should operate as a unified one for the whole economic expanse of the Soviet Union. There are considerable differences of opinion about approaches to the more parochial problems—for example, choice of priorities, the siting of capacity, settlements for resources, and other matters. But, in the main, perhaps everyone who is attached to the idea of good-neighbor collaboration of sovereign republics will agree: the fuel-and-power system, the base of bases of the life support of the country, cannot be the subject of political dealing, it must be developed by everyone together. This actually existing understanding also has been reflected in the lines of the draft All-Union agreement that has been cited. And it is destined to be realized through the Power-Engineering Program—one of those statewide programs in whose financing and execution all the republics will participate, as has been recommended.

At the request of the editorial board, V. Bushuyev, director of the USSR Supreme Soviet Subcommission on Power Engineering and doctor of engineering sciences, comments on the essence and principles of the State Energy Program that the government has developed.

[Tsvetkov] Vitaliy Vasilyevich, despite the fact that everyone, it seems, understands the importance of the fuel-and-power complex and his everyday dependence upon the state of affairs therein, it is still under attack. And the blows are rather heavy. How do you evaluate their consequences?

[Bushuyev] In evaluating the consequences, one must proceed from the fact that power generation is one of the most intensive branches in terms of capital, labor and materials. And the program's developers are, of course, paying attention to that fact. Power engineering, they note, takes from the national economy about a fourth of capital investment, a fifth of the labor resources, more than three-fifths of the pipe produced in the country, up to 20 percent of other ferrous metallurgy output, almost a sixth of the copper and aluminum, and the same share of what the cement industry and machinebuilding produce.

I am not speaking right now about the utilization effectiveness of this whole mass of resources. I am simply establishing that such a resource-intensive branch inevitably is extremely ponderous. What does this mean in practice? The fact that, for example, in curtailing investment in this complex, we do not immediately feel the drop in production of fuel-and-power resources, for it makes itself felt only after two or three years. But—and this is the main thing!—restoration of the previous amounts occurs only after 8-10 years. At least under the current level of monitoring and management.

[Tsvetkov] And, consequently, the stopping of construction and the cessation of operation of 70 power stations at society's demand and with the support of local authorities....

[Bushuyev] ...means for us not simply the loss of about 160 million kW of total capacity and half of the current capacity of the USSR Unified Power System. This means also a loss of pace in getting the national economy out of a crisis. And if we add that about 40 percent of the power equipment has served out its service life completely, then it is clear: we are about to fall into a power-engineering catastrophe because of an ecological disaster. Truly a catastrophe. After it there is a collapse of all social programs and complete breakdown of the country's life-support system.

[Tsvetkov] Aren't you exaggerating? Is the reserve of strength in our power-engineering indeed so insignificant?

[Bushuyev] Previously we were consoled by the fact that, having 5.5 percent of the world's population, we possess a fifth, that is, 20 percent, of the explored reserves and, we are extracting 21 percent of the world's power-engineering resources. But the consolers said nothing about the fact that the material production sphere consumes the major portion of these resources of ours. For municipal and household needs, that is, for the needs that are tangible for each person, we consume 43 percent as much as the U.S. does.

And so it is that, with an energy consumption that is more than modest in the social sphere, we have a standard level of electrical reserve capacity that is below the lower limit—about 13 percent. Compare this with Western Europe, where it is 35-50 percent. And right

now we must forget about our paltry standard, because the actual reserve is 4-5 percent.

[Tsvetkov] Frankly, the comparisons are depressing. And the prospects that ensue from them also are depressing for us. What should be done in order that the Wellsian "Russia is in darkness" will not cease to be a metaphor and does not turn into reality, not even for any of the republics?

[Bushuyev] First, let's stop driving ourselves ever deeper into a corner. The tug of war between the ecology and power engineering must cease quickly. We are already feeling the effects of this adult game, depriving ourselves of the simplest medicines....

[Tsvetkov] You are taking those approaches that are cited in the draft of the Power-Engineering Program?

[Bushuyev] Basically, yes. It impresses me that during refinement of the draft, its "social" component is increasingly brought to first priority. It would seem that we must move farther in this direction.

What do I have in mind? That everyone who picks up this paper sees clearly that Indicators of the quality of life of our people are taken as the starting point for all the calculations. Indeed, everything that determines the living standard—be it pure water, meat or bread, square meters of housing, refrigerators or coffee grinders, hospitals, schools, vuzes, or printing houses—literally everything has its power-engineering equivalents. Including also the process of material production and working conditions, if they also are to be viewed as man's requirements.

[Tsvetkov] I understand that such a program is a document that is as much political as it is economic. Consistent logic actually would facilitate its passage, by the republics and by you—the Supreme Soviet, where not one professional will discuss it....

[Bushuyev] That is not the point....More precisely, that is not the only point. It is much more important that society evaluate realistically its own prospects. For example, it is apparent from the specialists' computations that by the year 2000, and even by the year 2010, we will not be able to come up even to the current living standard achieved in the advanced countries. Let's say we will need 10 years to increase the estimated living space per capita from today's 14.5 square meters to 18.5, and 20 years to increase it to 24 square meters. But in the United States right now there are 50 "squares" per resident, that is twice as much....

Our "greens" must also see these realities instead of the indiscriminate "Close them!" For instance, the draft program cites evaluations by specialists of the Siberian Division of the USSR Academy of Sciences: Given the estimated increase in thermal electric-power station capacity, if one sets the goal of reducing discharges into the atmosphere by about 5 percent, then about 30 billion rubles more will have to be invested at the first stage.

And a 10-percent reduction in discharges will require almost three times as much. Is that something to think about? In real life a middle ground must be sought.

This approach, which is followed in the draft program, also appears to be productive. Let us assume that it establishes that the ecological component of the cost of new power stations should be at least 30 percent, which, incidentally, is much more than today's grants for protection of the environment. One can argue about the figure, and the ecology specialists undoubtedly will analyze it with great partiality. But one thing is indisputable: It is a constructive path, not the dead-end path taken when local organs simply prevent new power-engineering construction.

All this undoubtedly tells on the strategy for developing the fuel and power complex. Evidently, we will be compelled to declare a moratorium on the construction of nuclear stations for 5-8 years, having organized a "gas interval" in order to maintain a reliable supply of electricity. But indeed neither are gas reserves unlimited. This means that during this period it will be necessary to prepare other AES designs, including underground stations, and to find new solutions for coal-fired power engineering.

[Tsvetkov] I would like to call your attention to the fact that the draft of the All-Union agreement discusses "joint control with the republics" of the fuel-and-power engineering branch. How do you suppose that the possibility of replacing the dictates of the center with the dictates of the republic is not incorporated in this formula?

[Bushuyev] In my opinion, the formula is accurate. It touches such a delicate topic as regional questions of the Power-Engineering Program.

Its developers, in my view, chose the initial position correctly: the document indicates possible and desirable transfers of energy resources from one republic to another, and, for the RSFSR, interregional transfers also.

But, after determining who has a deficit and who has a surplus of power resources, and precisely what they are, we take only one step. But indeed, it is necessary right away to think also about a second one: how to effect these transfers. By directives? But we will immediately encounter opposition in the republics: the center, they say, is trying, as before, to be in charge of our property.

The formula "joint control" opens up, in my opinion, great prospects. The center, having calculated optimal transfers, carries out part of its regulating functions: it indicates to whom, from whom, how much, and which energy resources it would be expedient to buy.

Practical organization of the sale of these resources is the prerogative of the other party, the republics, which will conclude economic agreements among themselves and determine quotas, that is, the total amounts of sales during the first stage of conversion to the market will

also determine price levels. Local soviets, in receiving the right to coordinate rates for electricity, also are thereby included by power-engineering policy in the generation and sale: they will be able to expend a portion of the "fat" from profitable rates for ecological purposes.

Will the center take part in acts of buying and selling? Yes, but only as an intermediary. The actual sellers are the enterprises and associations which extract, process, and produce energy resources. The center's commercial organizations, it seems to me, will do business with them directly: they will purchase resources not from the republic but, let's say, electricity from the Surgutskaya GRES or the Kolskaya AES, and oil or gas from the appropriate extracting associations. And, using the existing LEP's [electric-power transmission lines] and trunk oil and gas lines at its disposal, will sell the output to whose in need of it.

Strictly speaking, this is generally accepted contract practice in most countries. We discussed these problems with the deputies' commissions, including those of Russia. Such a scheme of joint control, it appears, would suit everyone.

[Tsvetkov] The developers of the draft Power-Engineering Program are examining two options. The first is oriented to an average annual growth of national income of 4-4.7 percent. The second, to a 3-percent addition. The draft's slower pace is not being examined, since it involves a reduction in the standard of living for the people and because it is considered categorically unacceptable. Well, and what if in actuality these "categorically unacceptable" turn out to be the very thing?

[Bushuyev] All the indicators which must be reached under the program are not directive instructions. They are an optimal integrated forecast, how one must proceed for better results for the regions, the republics, and the country as a whole. Given that degree of indeterminacy that now exists in the economy, there is the danger that we can prove to be below the minimum permissible level. And then that which we already spoke about is inevitable: a failure of social programs caused by a power famine.

Can this be avoided? The State Energy Program is constructed not on bare wishes. It is based on 22 republic and regional programs. We depart from the gigantomania of creating superhuge power stations. One must take a look about specific regions—in many cases small-capacity stations are much more suitable, including gas-turbine and steam-and-gas stations, as well as installations that use nontraditional energy sources—geothermal, solar, wind, tidal, and so on. Consideration of the opinions and wishes of republic and local organs will strengthen confidence in the unified state program.

Increase in 1991 USSR Energy Costs Viewed

914E0045A Tashkent SELSKAYA PRAVDA in Russian
27 Oct 90 p 3

[Interview with Yevgeniy Ivanovich Petryayev, Deputy USSR Minister of Power and Electrification, by R. Akhmetov, TASS correspondent: "Energy Is Becoming More Expensive. Why?"]

[Text] **Foreign tourists who come here are surprised at many things. In particular, we have, in their opinion, very low rent, and the price of electricity is almost mythical. Actually, in the cities the people pay two to four kopecks per kilowatt-hour, while rural residents pay even less—about one kopeck.**

We do not take it upon ourselves to predict how these prices will be changed with conversion to the market economy. But industrial enterprises and organizations will in 1991 begin to pay much more for their electrical and thermal energy than they do now.

"There are several reasons for this," explains Ye. Petryayev, Deputy USSR Minister of Power and Electrification. "Next year prices for fuel will be about doubled. And it determines the cost of energy to a great extent. Transformer and turbine oil and other material resources will be more expensive. We will pay for the use of land and water and for the discharges of harmful substances into the atmosphere by electric-power stations. All these expenditures will affect the rates.

"I note that the rate schedules now existing in the country absolutely do not reflect the true cost of either electrical or thermal energy. Consequently, they must be made to correspond with the costs."

[Akhmetov] Yevgeniy Ivanovich, you have named the current expenditures that will be incorporated in the rate schedules for energy. And who will finance the development of power engineering?

[Petryayev] Up until now a major portion of the expenditures, as is known, were covered from the state budget. Beginning next year the policy changes. The erection of power-engineering facilities that are of All-Union or interregional significance will be financed from the budget. These are nuclear and large thermal and hydraulic electric-power stations, as well as LEP's [power transmission lines] of 500-kW capacity or more that interconnect regions. Expenditures for these purposes comprise about 30 percent of capital investment in the branch. The remaining funds should be formed through local budgets, rate schedules, and shared participation of energy consumers in the construction of power-engineering facilities, as well as bank credits, which the power-engineers will get and pay off later through their rate schedules.

[Akhmetov] Who will set the prices for energy?

[Petryayev] In today's environment, when the republics have acquired sovereignty and economic independence,

there is no point in the center sending them the rate schedules. But the functions of price regulator should remain with the state; otherwise, they will rise uncontrollably.

Power engineering has its specifics. Let us assume that the price per kilowatt-hour for Rostselmash has turned out to be excessively high. But it is not within its powers to refuse electricity that Rostovenergo wants it and to buy it at a moderate price from Krasnoyarskenergo. As a result the consumer proves to be in a hopeless position; he is deprived of the opportunity to choose suppliers. This paves the way for dictating power prices.

In order to avoid this, we have developed and coordinated with USSR Goskomtsen [State Committee for Prices] and USSR Gosplan [State Planning Committee] a temporary statute about state regulation of rates for electricity and heat. In accordance with it, beginning in 1991 each region will establish its rates as a function of local conditions and costs for producing power.

[Akhmetov] Who can be entrusted to see to it that locally there will be no striving to sell it more expensively and to include in the rates even losses from wastefulness and slipshodness?

[Petryayev] Of course, there can be such tendencies. In order to protect the interests of the consumer, and relying upon the world's experience, we have developed a special method for settlements. Those in the field should be guided by it strictly. The method enumerates those expenditures that must be included in the cost of energy. In order to head off staff overmanning, estimates are made of the number of personnel for electric-power stations and power grids. The standards are made the basis for these indicators. If the number of power workers at the stations do not stay within the limits, then the difference must be covered from their own income.

[Akhmetov] Now we turn to the main question. How much will the rates for energy be raised?

[Petryayev] USSR Goskomtsen has approved an increase thereof by an average of 45 percent. This was in February. Later the situation changed, and the amounts of the enterprises' contributions to state social insurance were raised. In our branch they were set at 37 percent for 1991 instead of the current 10-13 percent. Power-engineering enterprises do not have spare money. And so it is that additional expenditures will go into the cost of energy.

[Akhmetov] Can the local soviets change the rates?

[Petryayev] They have obtained that right. With the emergence of unforeseen expenditures, the soviets can, upon the petition of the power systems, raise the rates approved by USSR Goskomtsen by 15 percent. The main thing is that these expenditures should be realistically justified.

[Akhmetov] Yevgeniy Ivanovich, protests are occurring in Moscow and other places against the construction of

new thermal electric-power stations. They are a serious source of pollution of the air basins of the cities. How do you assess the situation that prevails?

[Petryayev] I share the public's concern about the environment, upon the state of which our health, working efficiency, and longevity depend.

But I want to talk about the economic aspect of the problem. Here we have to change the thinking. We have become accustomed to thinking that the state should pay for everything. Including the rebuilding of existing power stations for the purpose of reducing harmful discharges into the atmosphere.

There is no disputing it: that's the way it was previously. Now we are converting to a market economy. Where will the power workers get the money to purchase modern equipment so the power stations will not discharge coal cinders into the air? Only from energy customers, that is, from enterprises and the population. How can they finance the expenditures? Through a rise in local rates.

Incidentally, such a procedures exists in the civilized world. Colleagues have come here from the FRG. They said that they have located power stations almost in the center of cities. Without any kind of protests. Because these are ecologically clean power enterprises. It is true, their construction costs are double those of standard stations, but then the rates for power are twice as high. The public goes for these costs, as long as they breathe clean air.

[Akhmetov] Thus, beginning next year the rates for energy will rise 1.5-fold. Readers naturally will be interested in how this will be reflected in their family budgets. Indeed industry will charge for the increased energy cost in their output. Consequently, the public will pay more for clothing, footwear, furniture, and other commodities. In what amount?

[Petryayev] It will be no more than one percent in the cost of consumer goods because of energy. So it is that we are not making a "tear" in the citizenry's family budget.

Union Activities Focus of General Confederation Meeting

914F0102A Moscow *TRUD* in Russian 3 Jan 91 p 1

[Report on meeting of the Presidium of the USSR General Confederation of Trade Unions Council: "In the Presidium of USSR General Confederation of Trade Unions Council"]

[Text] On 28 December 1990, a meeting was held of the Presidium of the VKP (General Confederation of Trade Unions) Council to examine issues of fundamental importance to the activities of the country's trade unions.

Opening the meeting, VKP Chairman V. P. Shcherbakov announced the admission into the USSR VKP of several new trade associations: the trade union of machine and tool builders; the trade union of workers in the oil and gas branches of industry and construction; the federative independent trade union of water transport workers; the federation of communications workers trade unions; the trade union of coal industry workers; the "Elektroprofsoyuz" [Electrical Workers Trade Union] General Federation of Trade Unions.

It was pointed out at the meeting that the tasks set by the 19th Congress of USSR Trade Unions and the necessity for the further organizational strengthening of the Confederation of Trade Unions and its member organizations urgently require the speediest resolution, in accordance with modern requirements, of several issues related to the interests of the country's workers.

One of these issues—the Trade Union Property Fund—became the subject of active and interested discussion at the meeting of the Council's Presidium. The importance of creating the economic, legal, and organizational conditions for the utilization, in the interests of the workers and every member organization, of property belonging to the trade unions was emphasized. Favorable opportunities for this can be created if the principle of the unity and indivisibility of the trade unions' property is observed. A resolution was passed basically approving the elaborations of the issue on the Trade Union Property Fund prepared with the participation of representatives from trade associations of all the republics and confirming VKP Deputy Chairman V. V. Kuzmenko as chairman of the fund.

Provision was made, in accordance with the resolution of the 19th Congress of USSR Trade Unions, for the normative materials connected with the Trade Union Property Fund to undergo further examination by a commission drawn from representatives of the branch trade unions and republic trade associations.

In discussing resolutions on the USSR Social Insurance Fund, the leaders of the member organizations noted the necessity of improving the fund's forms of administration and increasing the interest of the trade organs and labor collectives in reducing the sickness rate in the

enterprises and organizations and in rationally utilizing the funds obtained as a result of these economies.

The Presidium of the VKP Council approved the provision on the USSR Social Insurance Fund, which is an independent finance-banking system under the jurisdiction of the USSR General Confederation of Trade Unions.

The Social Insurance Fund for 1991 was approved for earnings and expenditures in the amount of 22,460 million rubles (R). The fund takes into consideration new undertakings to strengthen the guarantee to workers of pensions, including to women for pregnancy and childbirth, upon the birth of a child, and so on. Appropriations for the organization of sanatorium-resort treatment and holidays for workers and members of their families were raised to take into account the transition to the market economy.

Targeted expenditures envisaged include R800 million for the treatment of persons affected by the accident at the Chernobyl AES, R260 million for the construction and reconstruction of trade union sanatoriums, and R200 million for the upkeep of children-youth sport schools.

In examining the issue of price changes for trips to trade union sanatoriums, special attention was paid to working out a procedure to compensate for increased expenses for food and maintenance of the sanatorium, with the view to preventing any increase in the payment for trips out of workers' own funds.

At the suggestion of the USSR VKP Council's Permanent Commission on the Defense of Youth and Student Rights and the Protection of Children, results were calculated on children's health in 1990. It was pointed out that conditions for organizing health care for workers' children during vacations had worsened significantly. In nine months, 15.6 million children and adolescents took holidays in trade union health camps, which was 2.4 million fewer than in 1989.

The USSR VKP Council's Presidium expressed extreme concern over the situation that has come about with respect to organizing holidays for children and addressed a proposal to the trade union organizations in conjunction with the labor collectives and the congresses of people's deputies to seek out ways to satisfy as much as possible workers' health care requirements for their children and to direct the necessary material and personnel resources to this purpose. The confederation's member organizations recommended turning to the supreme soviets of the union and autonomous republics and the kray and oblast congresses of people's deputies with a request to consider urgent measures for the socioeconomic guarantee of children's health in 1991.

In connection with the need to acquire food at contractual prices, it was decided to increase the monetary standard for expenditures for food for each participant per day in health camps of all types (other than day camps) to R3.30. Other measures were fixed as well to improve the organization of children's health care.

The VKP Council's Presidium approved the USSR draft law "On the Basic Principles for Labor Protection in the USSR," which will be presented to the USSR Supreme Soviet in the near future according to the procedure for legislative initiatives.

As has already been reported, the Presidium supported the demands of education workers regarding the necessity to raise the pay of teachers and other pedagogical workers regardless of their departmental subordination to the level of the average salary of workers employed in the productive sphere, as a guaranteed state pay minimum. It was decided to send an appeal for support of teachers' demands to the session of the USSR Supreme Soviet.

The session of the USSR VKP Council's Presidium also examined other issues regarding the activities of the trade unions and their international ties.

Miners View Market Advent Skeptically

914F0099A Moscow SOVETSKAYA ROSSIYA
in Russian 29 Dec 90 Second Edition p 1

[Article by A. Oreshkin, general director of the Vorkuta-Ugol Association: "Hopping to the Market: What Vorkuta Miners Think About Their Tomorrow"]

[Text] It's already been a good ten years since we have been living under the once promised communism. I don't want to ironize on the subject of the unmaterialized prognosis, although here in Vorkuta even salt and matches are being sold by coupons. Today it is even more important not to fall into a euphoria of ecstatic dilettantism at the sight of the new luminary on the politicoeconomic horizon: the market. Anyone who is counting on the serene glimmer of blue waves and chocolate suntans is profoundly mistaken. The market has harsh lighting and the dispassion of computer tomography exposing not only the open and closed breaks in our economy but even its, so to speak, psychological faults, its hereditary fallaciousness.

Naturally, if you judge by the larger score, the market opens up for everyone a way out of the crisis tunnel in which we have all found ourselves. But how are the cripples and poor devils supposed to get there if even our heroes are now at the threshold of disability? These are

the kinds of analogies that come to mind when you think hard about the problems of entering the market for our coal branch.

Across the country the echoes of last year's mining strikes still reverberate. Metallurgists and coke chemists are hoarse from yelling, "Give us coal!" But so far, under the present conditions of unbalanced production, unprecedentedly inflated metallurgical and coke-chemical capacities, and the unwarranted metal consumption of machine-building production, no one can tell us how much coal and metal the country needs. There is one sole criterion: the more the better. And the press of the command-administrative system continues to pressure the miners with ever mounting force.

I shall illustrate this with the example of so-called centrally stimulated mining (TsSD), which act as a kind of makeweight for state orders and which miners look upon as a countersink. For our association this makeweight comprises over a million tons. But if previously TsSD truly was stimulated by the wage fund and material resources, then now there is none of that, and the TsSD itself, included in the supplies resource, which used to be voluntary, has now become centrally coerced. In essence we have wound up with a 104 per cent state order, in excess of our mining resources. And even if we do fulfill the plan for mining and deliveries 100 per cent but do not manage the TsSD, then we are forced to pay millions of rubles in fines. Which is happening: 450,000 rubles (R) have already been seized from the association's accounts, despite the million tons of coal mined over and above the plan.

The situation, which is already accumulating explosive material of miner discontent, is complicated as well by the fact that according to "miner" resolution No 608, the share of the state order for Vorkuta miners is set at 95 per cent. The rest of the coal the miners have been given the right to offer through direct ties within the country and in barter deals. But the notorious TsSD stands like an insurmountable barrier on the path of trainloads of over-plan coal, including that mined on days off. How are we to understand this? As the inability of the planning and coal-selling organizations to recognize the fact that "scissors" like this are capable of cutting through the already thin thread of accord between the miners and the government?

By the way, even within the Soviet government the left hand, it seems, did not know what the right was up to when it signed the abovementioned resolution. To take just the new miner vacations, which according to preliminary calculations come to 87 days for underground workers—even more if you calculate in the time spent traveling to and from the vacation place. Even the American and German miners taken together could not allow themselves such luxury. But who's going to put out the coal while the miner is relaxing? After all, Vorkuta arrears alone amount to three million tons that the consumers are counting on.

This is more than a knot; it's a timber hitch. No one is going to give us 3000 miners to replace those who have gone on holiday. No one is going to work "for that guy" knowing that the USSR Coal Mining Ministry has laid its hands on even the above-plan coal. It is unlikely anyone is going to try to rescind the part of resolution No 608 on holidays. But for all that there is the presidential decree on urgent measures to stabilize economic ties that is in effect right now and is planned for all next year. The sum total of these problems amounts to R130 million that the Vorkuta coalminers are losing in a year. Isn't this too high a price to pay for a miner's holiday? After all, this will have to paid for not simply in currency but in the curtailment of the mines' technical reequipment and the construction of housing and social-cultural objectives and in a real lowering of the standard of living, which is quite severe enough in Vorkuta as it is.

The sole acceptable way out for today is to compensate part of the holiday, 25 days on average, by remuneration. But in doing so tax benefits must be introduced for this portion of pay, for the existing procedure deprives the miner of all interest in compensation. We spoke about this at the USSR Coal Industry Ministry offices in a meeting with USSR Supreme Soviet Chairman A. I. Lukyanov, but we have yet to receive any support.

True, it is not only holidays that are cutting us off at the roots. The association has about two and a half thousand suppliers, and in a situation of general shortage virtually each one is involved in almost unconcealed extortion. They demand everything from us—lumber, metal, cement, coal, currency—threatening to leave us without equipment, shoes, furniture, and food. Even arbitration is incapable of putting an end to the dictate of counter-agents, whose conditions we find unacceptable. We are cruelly tied to a fixed price for coal, whereas an increasing number of suppliers even within our ministry's system have the right to supply output at contractual prices. They have in essence already entered the market and are running the show, taking advantage of our unequal partnership.

Nothing bodes well for the situation's prognosis. In the first place, we are forced to live beyond our means, literally stripping the mines and threatening to undermine technical, building, and social programs. The price of interdepartmental "brigandage" could prove to be unprecedently high, as last year's strikes have already proved. Secondly, the current year is the last for stable wage and material incentive funds. Now the measure of our prosperity becomes cost-accounting income. How is it to be formed given producers' monopoly dictate and the bacchanalia of prices, given the negligence of laws and nonimplementation of presidential decrees? For the mines this is the direct route to bankruptcy; for the miners it is the absence of stimuli for productive labor. Hence the negative appraisals of the government, whose inconsistent and uncoordinated actions have exacerbated the situation in the coal branch to the extreme on the eve of the transition of the country's economy to a market economy. The fact that we still do not have a

well-grounded state order guaranteed material resources and do not know the size of our subsidies, without which coalminers cannot survive, confirms this yet again.

Of course, we are not sitting with our hands folded. We are honestly fulfilling our duty to the country, despite how seriously worn out the coalmining equipment depot has become. To the Vorkuta miners' credit is nearly a million tons of coal over and above the plan; moreover, although it is qualitatively better, its value is lower. New skylines are being built at the Severnaya, Vorkutinskaya, Ayach-Aga Komsomolskaya, and Zapolyarnaya mines. At the Yuzhnaya Mine they have been able to introduce the Polish Glinik complex, literally transforming the enterprise, which is working steadily today.

At long last new Soviet-made complexes have appeared that are capable of working effectively on thin strata, although catastrophically few are coming out. Mine No 33 is being built, which will be taken over by the collectives covering the Khalmer-Yu and Yuzhnaya mines. Today we have democratized the branch's administration to the limit, having created a council of directors and leaving to the association only those authorities that the mines have delegated to it. I, for example, as general secretary, was hired by that council, which concluded a five-year contract with me. If the Coal Industry Ministry grants us the right of property, which it must get in turn from the USSR Council of Ministers, and we have the earnings, then I get the right to conclude contracts with the leaders of our structural subdivisions. On the one hand, the leader will be better protected socially; on the other, given the decentralization of administration and the market taking shape, he acquires greater decision-making independence, which is of by no means small importance.

That is why the realia of today that have taken shape on the approaches to the market, which we are in essence hopping toward, are so alarming. Whereas the other leg is being held tight by yesterday's regime and by the current innovating, in which there is often more incompetence, libertarianism, and egoism than common sense, which consists above all in the fact that there is no alternative to the Vorkuta deposit of coal in the European part of Russia. With the depletion of Ural deposits, some of which are playing out their last days, the significance of Vorkuta coal will only grow. Reserves of it total about 200 billion tons, and the first billion will be mined only in ten years. The quality speaks for itself: it takes 100 kilograms less of our coal than other coal to produce the coke to smelt one ton of pig iron. So that state interest is going to be displaced more and more in the direction of Vorkuta. The status of market hostage does not suit it at all.

Belorussian Consumer Co-ops Restructuring

Insufficient Goods for Farm Population

914F0090A Minsk SELSKAYA GAZETA in Russian
11 Aug 90 p 2

[Article by Lyubov Kapustina, head of the SELSKAYA GAZETA Department for Letters and Public Relations: "Letters to the Editors: Who Is Living in a Castle?"]

[Text] If today we wore sandals of bast or hemp cord instead of shoes and arniaks for coats, if we smoked homegrown tobacco, then surely even these everyday necessities of our grandfathers and great-grandfathers would be scarce. Of course, there would be people who would frame the explanation in popular form: the vine did not bear, they would say, the hemp got wet, the tobacco was destroyed by frost....

No analogous modern situation?

What if we argue the point? Did it take the peasant 100 years ago more effort and time to make those same bast sandals than it does the present-day producer to make socks, say? But peasant sandals were on the feet of every peasant, they were considered the fastest selling commodity on markets, there were great heaps of them in the shops. But today ordinary men's socks are the dream of every ordinary consumer.

"Tell me where I can go to buy hosiery," asks Ivan Kovalchuk, who lives in the village of Dubrova in Yelskiy Rayon, in his letter to the editors, literally confirming these ideas. "I have even written to the '8 Marta' Factory in Gomel and asked them to send me socks by mail. But they sent back neither reply nor greetings. My wife and I are 'Chernobylites,' evacuated from the contaminated zone. We lost everything in our native village, everything, as they say, movable and immoveable. And now, it seems the turn has come for socks? Dear editors, please help me obtain two pairs size 25 and two pairs size 27. Our last socks are falling to pieces, at this point, after all, you cannot even buy foot wrappings...."

What is one to answer to such a letter? After all, perhaps only to complain in the same tone as the author of such a sad epistle that the same problems exist in Minsk. And the journalists, just like all mere mortals, enjoy no benefits at all in acquiring scarce commodities. That answer would hardly put the reader at ease, but it would make us feel better, if only for having observed the propriety of official correspondence. Believe me, it is not out of disrespect for the reader that it must be done that way, but because of the distressing necessity.

And how will it be with letters like the one from Konstantin Grigoryevich Smolskiy, who lives in the village Kalybovka in Zhlobinskiy Rayon, who is disabled in Disability Group I? You cannot cut him off with conventional and standard reply. Because this letter is a cry for help from a man deprived not only of material sufficiency, but even of his health, his destiny, and, most terrible of all, of the attention of those who live alongside him and who have an official responsibility as well as a human duty to solve these problems.

"I am an old man, age 77, missing both legs. You may or may not believe me, but that is how it is. My clothes have fallen apart, I am ashamed to meet anyone. There is money, but no sizes for my height and build. Many times I have asked the Zhlobinskiy Rayon Consumer Union to allocate to my village store at least one padded cotton

suit size 60, a pair of pants, shirts, and knitted underwear. Cotton is not good with crutches. But my old woman needs at least one pair of simple cotton dresses...."

As we see, people have money, but there is nothing to buy with it. And although in their letters the peasants do not refer to this phenomenon with the word "inflation," which is not very familiar to them and is too scientific, the fact that this phenomenon is a tragedy for society, the fact that it is instilling in people cynicism, severity, and indifference, can be traced in literally every sentence of any letter you take.

"We are now living on coupons," argued Mariya Savchuk of Kobrin, a labor veteran. "Sugar, flour, hulled and rolled products, macaroni products—all this is strictly rationed. And now since July we also have ration coupons for industrial goods. For women, there is a column of type on the tiny piece of paper: shoes, underwear (t), underwear (b), hosiery. For men: footwear, socks, sock. All of this is calculated for half a year. If you want to buy winter boots—you go barefoot in summer and fall. One pair of panty hose for a woman to last six months! It is shameful to speak of. Because wherever the ration coupon system has not yet been introduced and where there is at least something in the stores, this innovation will simply make people laugh.

"Further," M. Savchuk writes, "children under age 13 must go to children's stores. So far, ration coupons are not being issued to them. But what will my neighbors do, for example, if their 13-year-old son wears size 42 shoes and size 48 clothing. The boy's parents are simply desperate, they are not able to properly fit the boy out for school.

"Hearing about these cases, one gets the impression that our authorities are thinking not so much about how to get out of the economic crisis as trying to create new and still more monstrous patterns of life for us."

What M. Savchuk wrote to the editors is the ungarnished truth. This summer, I had occasion to visit Kobrin and I saw all of this with my own eyes.

I saw inhabitants from several villages assembling in one of the rural soviets at the appointed time and place to receive their ration coupons. Disabled war veterans got there with great difficulty, leaning on their crutches, traveling several kilometers just to acquire the right to obtain socks. I saw how ceremoniously the staff members of the soviet's ispolkom behaved on that occasion—finally, work was found even for them! Two 70-year-old women could not understand the new and previously unknown letters which they read on the ration coupon: "Underwear (t) and underwear (b)":

"What is the meaning of this 't,' and this 'b'? Dark underwear and light underwear?" one of them asked, pointing to the little poppy-red letters with a work-hardened thumb, looking them in the eye, but they were silent.

It turned out that these were the initials of articles of women's underwear....

It is, of course, sad to speak about such things. But we have to speak. Otherwise, those who are still far from the needs of rural areas in their plans and conceptions will never learn how people are living and suffering here today.

In writing to the editors, people are not simply telling about their own troubles. They are interested in the immediate future: How is it going to be? Judging by the arguments, rural inhabitants have pretty much given up on politics, on promises on the order of "Just wait another three to five years, and it will be easier." After all, many of them will simply not live that long.

And actually the point is not really the car which Nikolay Yurchenko, member of the Kolkhoz imeni Engels in Mstislavskiy Rayon, has been on the waiting list to purchase for 11 years now. Nor is it the furniture which the family of V. Akulich of Svetlogorsk has been unable to buy for now the fourth year since moving out of the zone of the Chernobyl Nuclear Power Plant. The point is the moral context that envelops the acquisition of all those things.

"The state of society is judged not from the castle the state has, but from the level of morality," a great man once said, and history has confirmed it time and time again.

"I have worked on the kolkhoz my entire life," N. Yurchenko writes, "and I have been a member of the CPSU since 1958. My wife also worked as a milkmaid until she retired. But it turns out that we have no rights. I have repeatedly turned to A. Petrovskiy, chairman of the Mstislavskiy Rayon Ispolkom. He does nothing but promise to help me. And when three cars came to the farm this year, he took one for himself, he gave one to the second kolkhoz chairman Kondratov, and the third they redistributed to the Sovkhoz 'Zabolotye.' It was supposedly purchased there by the sovkhoz director (I do not know his last name). Perhaps we simple graingrowers are missing something in this behind-the-scenes 'arithmetic'? At this point, I know only one thing, that what counts is having privileges."

In order to get out of all our everyday troubles as fast as possible, the government intends to propose to us a program for the transition to a market economy. At this point, the peasants are not in a hurry to say what they think about this. On the basis of the few letters on this topic that the editors have received, one can even judge that they are more against the market than in favor of it.

Some of the readers even advise checking back with Lenin more often in resolving the issues important to the country. Some, for example, a person who lives in the village Velikoye Selo in Verkhnedvinskij Rayon, who signed himself with the initials "G.A.A." advises going to the other extreme—belief in God, in prayer. "I would

like it," writes the author who wanted to remain anonymous, "if SELSKAYA GAZETA published the dates of religious holidays and prayers. Our piety is already far behind the level of the piety of other countries. That is the reason for all our troubles."

Even this man is surely right about something. Although, in my view, Mikhail Bakunets, who lives in the village Tury in Stolinskiy Rayon, comes closest to unriddling the extremely complicated situation in his arguments.

"Just come to our Kolkhoz '17 Sentyabrya,"" the veteran said, issuing an invitation, "and you will immediately see that all the farm's managers have houses as pretty as a picture. Finished like lordly mansions inside and out. Everything in them has been painted, everything is finished. Inside there are carpets, expensive furniture, crystal chandeliers, and cars in the yard. But for the ordinary kolkhoz members there is not a single up-to-date apartment, no good club, no real everyday service center. The structures on the livestock farms are falling down, no windows, mud and trash everywhere. When will all this come to an end? For a long time, the managers have failed to see from their towers what is happening around them."

Our authors categorically reject "bigwigs" in the state of workers and peasants. They are agitated when they write about those who do not even know the prices of principal foodstuffs, how much it costs to ride public transportation, for whom the word "shortage" does not mean misfortune, but a blessing.

And still, as noted by A. Kostyushko, member of the CPSU who lives in the village B. Mysskoye in Smorgonskiy Rayon, our life is unimaginable without perestroika. "There is only one thing I would like to believe," we read in his letter, "that everything that is wrong will retreat into the past...."

Surely, that will happen. If only because the editors are continuing to receive an unending stream of letters treating the darkest corners of our life. And we are not to blame if we collect them, if all this seems somewhat "unprintable," as we used to say—unpatriotic. After all, we all understand that no "ennobling illusion" can be more precious than a "heap of bitter truths."

Resources, Transition Plans Detailed

914F0090B Minsk SELSKAYA GAZETA in Russian
24 Nov 90 p 2

[Response from the Belorussian Cooperative Alliance: "Response to the Article 'Who Is Living in a Castle?'"]

[Text] On 11 August, SELSKAYA GAZETA published under that title a review of letters about shortcomings in trade services to the rural population. The article was sent to Belkoopsoyuz for its reaction.

We have been told by L. Kotov, deputy chairman of the Board of Belkoopsoyuz, that the article "Who Is Living

in a Castle?" was taken up by the board and also examined in the appropriate cooperative organizations.

"Recently," L. Kotov writes, "an extremely unpromising situation has come about in the republic in supplying consumer goods to the public, especially those in the nonfood group.

"The commodity resources of the consumer cooperative make it impossible to meet the demand of the rural population for 1,864 items in the amount of 1,092.1 million rubles [R].

"Because of the improper approaches that have been taken to distribution of market stocks of consumer goods between the urban and rural population, sales per rural inhabitant are lower than in the city for 27 foodstuff groups out of 35, and for 50 out of 57 nonfood commodities. The Belkoopsoyuz Board has made a proposal to BSSR Mintorg and the republic Gosplan to equalize the per capita level of sales of goods. This effort has already begun in Grodno Oblast, where by the end of the year they plan to transfer from state trade to the consumer cooperative system R305,000 worth of sewn garments, R203,000 worth of hosiery, R200,000 of knitted underwear, and R760,000 of footwear.

"Taking into account the present situation with commodity resources, Belkoopsoyuz and local ispolkoms have taken a number of steps aimed at putting to rights the sales of scarce commodities. At the present time, technically sophisticated products—television sets, tape recorders, washing and sewing machines, vacuum cleaners, refrigerators, and furniture are being sold on the basis of lists kept by rural (settlement) soviets of people's deputies. Sugar, hard liquor, soap, and detergents are being sold on the basis of ration coupons or lists of local soviets. School uniforms are being sold according to the lists of the schools. Goods for newlyweds are being sold on the basis of invitations from the civil records office. In almost two-thirds of the republic's rayons, knitted underwear, bed linen, footwear, socks, and women's and children's panty hose have begun to be sold on the basis of lists of local soviets.

"Beginning on 1 April 1990, priority sale of building materials in great demand to individual builders began, and victims of the accident at the Chernobyl Nuclear Power Plant do not have to wait their turn.

"In order to prevent a number of consumer goods from being bought up and carted away, to see that the existing resources are used more optimally, to improve the supply to the republic's population, and to guarantee unity in organizing the trade in goods for which there is a high demand, BSSR Mintorg and Belkoopsoyuz have approved and sent out rules for the sale of goods on the basis of checks and checkbooks, and a temporary procedure has also been introduced for sales on the basis of 'calling cards' to purchasers who are citizens of Belorussian SSR.

"As for the request contained in the readers' letters to acquire certain nonfood commodities, the request of I. Kovalchuk, who lives in the village Dubrova in Yelskiy Rayon, has been met, and that of K. Smolskiy, who lives in the village Kalybovka in Zhlobinskiy Rayon, has been satisfied in part. An order has been put in for the commodity that is lacking, and as soon as it is received, K. Smolskiy's request will be fully satisfied."

New Chairman Interviewed on Role of Turkmen Trade Unions

914F0101A Ashkhabad TURKMENSKAYA ISKRA
in Russian 11 Nov 90 p 2

[Interview with A. S. Rizayeva, chairman of the Federation of Turkmen SSR Trade Unions, by special correspondent G. Shchepotkina: "I Am Counting on Everyone's Effort..."]

[Text] A. S. Rizayeva, a teacher by education and formerly a soviet worker, was elected chairman of the Turkmen SSR Trade Union Federation, created by the 11th Congress of Turkmenistan Trade Unions. She gave her first interview to our correspondent.

[Shchepotkina] Abad Sakhatovna, you are the country's only woman heading a republic trade union organization. This is of course not the first time such a thing has been seen in Turkmenia. But before, times were different. Today, in a time in which the Communist Party is changing and relations with other public organizations are being formed differently, and in which one would be hard-pressed to find anyone willing to make predictions even of the shortest range, you have assumed the leadership of one of the largest public movements. Aren't you afraid?

[Rizayeva] Well, what would you think of a person who takes you by the hand over a hazardous mountain pass and asks you to follow him confidently, after communicating in the same breath that he himself is afraid? Fear is not what we should be thinking about in my opinion: feelings are transient, and they do not always objectively reflect a person's state. What is required of me is to evaluate the situation soberly, without haste but without counting on a long working-in period either, to review my own creative potential—my life experience, my knowledge, and my purely human qualities, and distribute this potential in such a way that the payoff would be maximum. But the main thing, I must not count on success with reliance upon my own strengths alone. I lay great hopes upon those who have been involved in trade union work for some time, and on the numerous active members. My ultimate hope is that not one member of the trade union would remain in the role of a passive observer.

[Shchepotkina] You referred to purely human qualities which, as I understand it, are in your opinion the golden fund of the creative potential of each individual, and particularly of a leader. Which of them do you value especially?

[Rizayeva] Let me put it this way: The ability to live with people. This includes an entire complex of character traits inherent to an individual who carries out the most difficult mission on Earth in a way satisfying to himself and beneficial to all others—one who lives in a society of people like himself. Back when I first embarked upon the path of Teacher—it makes me happy that we are once again often writing this word with a capital letter—I created a certain image of the ideal person, toward which I have strived throughout my life. Ideal not for myself and not within myself, but primarily for others. From my point of view, continual adjustment of one's deeds is especially important to leaders. A leader, you see, does not simply live among people—he is at the center of their attention.

[Shchepotkina] I think we now understand your life's creed in general terms. Let's go on to the problems of the trade unions per se. The accountability report given by your predecessor, Ovezmukhamed Annamukhamedov, at the 11th congress of the republic's trade unions emphasized that trade unions are currently being reoriented on fulfilling their basic functions as defined from the very beginning—protecting the legal rights and interests of laborers. How do you interpret this?

[Rizayeva] I carefully studied the accountability report and the debates on it during my preparations for my trip to the 19th Congress of USSR Trade Unions. This idea is in fact a leitmotif in all documents, directly or indirectly attesting to a complete turn of the trade unions in the direction of the needs of the people. I think that we can already point to some successes. I think that they alone are responsible, for example, for the significant recent increase in trade union membership: There are now a little less than 1.3 million members in the republic. Growth of authority is a reaction to the democratization occurring in the trade unions.

[Shchepotkina] Now that the Federation of Turkmen SSR Trade Unions has been formed in place of the republic council, can we assume that this process will continue even further?

[Rizayeva] Certainly! Sector trade unions and territorial interunion trade union organizations have been combined, and on a voluntary basis at that. We are holding the doors of the federation open to other public organizations of laborers as well. We are independent in our actions, and we are independent of organs of state and economic control, as well as of political and other public organizations and movements.

One point I should clear up. Why is a federation needed at all, when everyone around us is trying to get out from someone else's tutelage? I think that ensuring full protection of labor, social and economic rights and the spiritual interests of the laborers is beyond the power of any one sector trade union. All kinds of things happen. Often they involve the need for dealing with an "alien" hierarchy: Not all problems are limited in their impact to just a single sector. Moreover, the trade union movement

as a whole is still unified. Therefore in the modern world, which is being torn apart by conflicts, a coordinator of action is simply as indispensable as air; a body which would consolidate the power of the trade unions so that they might carry out their purpose to the fullest is required.

[Shchepotkina] Recently I carefully read the Charter of the Federation of Turkmen SSR Trade Unions, and I came to feel sorry for those same coordinators, who have been given the heavy burden of consolidating the power of independent trade union units, brought together into the federation.

[Rizayeva] It is true that the rights of the federation's member organizations are many. But they also have a responsibility to the federation: to support its activities, including materially, to carry out its decisions, and to provide information on its activities. Working together, we will try to see that our joint activity will go on within the framework of the charter adopted by the congress, so that it would be beneficial to the laborer.

[Shchepotkina] How will this be ensured in practice?

[Rizayeva] The 11th congress of the republic's trade unions approved the program of action of our trade unions. We feel that practical efforts to carry out our protective functions in relation to all laborers, and primarily to the socially most vulnerable part of the population, must now become the most important thing for us.

Four main directions in which the trade unions will now concentrate their efforts are spelled out in the program. They include protection of the social, economic and labor rights and interests of the laborers; safeguarding their labor and health; educational work and implementation of cultural policy; further democratization and greater glasnost in trade union activities. All of these directions seem familiar. But the content of work done within these directions will change with change in the functions of the trade unions.

[Shchepotkina] For example?

[Rizayeva] Well, for example in connection with the republic's transition to regional cost accounting and the forthcoming activity to change it from a raw material economy into a region with a complete production cycle, the trade unions feel it necessary to take part in solving this problem, and in developing and implementing a program to provide jobs to the employable population.

Let me dwell in greater detail on the latter. The trade unions are planning to take a direct part in creation of a worker cross-training and advanced training system in connection with the shift in focus that may occur in the manpower requirements. We feel that creating new jobs is also our business. I think that these jobs will be created primarily in the sphere of services. We are also awaiting the opening of small enterprises and production operations, in which young people would be able to exercise

their right to work after graduating from educational institutions and completing their military service.

Our protective activities are being infused with new content. We are lobbying for introduction of unemployment assistance, and we are making preparations to submit proposals to draft and adopt, in this very next year, a Turkmen SSR employment law.

Of course, the solution to many problems having to do with protecting the social rights of the people is beyond the competency of the trade unions. But even here we intend to defend the interests of the laborers to the end. For example we will demand that the republic's government develop effective mechanisms of social protection, with regard for our proposals. But I've already talked about this. Let me just say that disabled and retired persons, large families, other low-income people and those who live on fixed incomes will be targets of our special protection. We are also thinking about defining the contents of the "consumer's market basket" and the subsistence minimum, reviewing it on a regular basis (in keeping with the pace of inflation), and paying appropriate compensation.

We have much work to do in connection with the forthcoming changes in labor law, with the increasing

role of the soviets of people's deputies, and with the new content being infused into the concept of labor.

[Shchepotkina] The trade unions are truly rising to a new level of activity in response to present and future changes in the society. But wouldn't this probably also require higher qualifications on the part of the trade union workers themselves?

[Rizayeva] Of course, this is foreseen in the program of action. Training of trade union workers and active members will be organized mandatorily on the basis of orders placed by sector and primary trade union organizations.

[Shchepotkina] We have touched upon just a very small number of aspects of the activities of the trade unions, and there are so many of them! Isn't there a need for legalizing all of these innovations at the legislative level?

[Rizayeva] Absolutely. A draft law on the republic's trade unions will be submitted to the Turkmen SSR Supreme Soviet for its examination this very year. And before this, we need to practically "test out" some of the innovations, and check out their different variants. And once again, let me emphasize that we, and I personally, lay great hopes upon the energy and interest of all primary organizations, organs and every trade union member in the success of our common cause.

**END OF
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DATE FILMED

20 Feb. 1991

Average Maximum Retail Prices (Rubles per kilogram) (Continued)

Name	Existing Price			New State Retail Price	
	State Retail Price	Commission Price			
		Contract Price	Cooperative Price		
Defatted cottage cheese in wax paper, 0.25 kg	0.13	—	—	0.19	
35 percent cream in glass bottle, 0.5 kg	1.02	—	—	3.29	
25 percent sour cream in glass bottle, 0.5 kg	0.67	—	—	2.31	
Russian cheese	2.90	—	—	8.60	
Dutch cheese	2.90	—	—	7.60	
Zemgalskiy cheese	2.30	—	—	8.10	
Cheese with caraway seed	1.20	—	—	3.70	
Iyetsavskiy cheese	1.70	—	—	5.00	
Cuts of Beef					
Highest quality					
Sirloin cut, short loin cut, shoulder cut	1.90	3.50	—	12.20	
Quality I					
Rib-short plate cut, brisket cut	1.90	3.50	—	7.20	
Neck cut	1.50	3.50	—	7.20	
Quality II					
Front shank, back shank	0.50	3.50	—	3.00	
Flank	1.50	1.50	—	3.00	
Quality III					
Lower part of the back and front shanks	0.50	1.50	—	0.50	
Throat	0.50	1.50	—	1.00	
Cuts of Pork					
Category I (Cuts with skin)					
Quality I					
Ham, loin cut	2.00	12.00	—	10.20	
Quality II					
Shoulder cut, spareribs, flank cut	2.00	6.30	—	7.30	
Quality III					
Throat, salt pork	2.00	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Category II (skinless cuts)					
Quality I					
Ham, loin cut	1.80	12.00	—	10.40	
Quality II					
Shoulder cut, spareribs, flank cut	1.80	5.40	—	7.10	
Quality III					
Throat, salt pork	1.80	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Category III (skinless cuts)					
Quality I					

Average Maximum Retail Prices (Rubles per kilogram) (Continued)

Name	Existing Price			New State Retail Price	
	State Retail Price	Commission Price			
		Contract Price	Cooperative Price		
Ham, loin cut	2.00	6.30	—	8.40	
Quality II					
Shoulder cut, spareribs, flank cut	2.00	5.40	—	5.50	
Quality III					
Throat, salt pork	2.00	3.45	—	2.30	
Gammon, shank	1.00	3.45	—	2.30	
Veal, lamb and goat meat will be sold according to free-floating prices					
Chickens (chicks) and broiler chickens, partially drawn	2.50	4.90	—	5.00	
Chickens (chicks) and broiler chickens, drawn	3.20	4.90	—	6.50	
Chickens (chicks) and broiler chickens with processed viscera	2.80	4.90	—	5.90	
Sausages					
Doktorskaya sausage, highest quality	2.20	—	—	12.30	
Yuzhnaya sausage, Quality I	1.80	—	—	7.10	
Dairy frankfurters	2.50	—	—	7.30	
Polony	2.00	9.10	—	7.50	
Latvian blood sausage	0.76	—	—	1.50	
Liver sausage, regular	1.7	—	—	3.90	
Daugavpilss semi-smoked sausage	4.00	—	4.00	8.00	
Tbilissi semi-smoked sausage	3.30	—	6.00	15.50	

Azerbaijan CP Official Calls for Strict Supply Distribution of Food

914D0118A Baku BAKINSKIY RABOCHIY in Russian
2 Dec 90 pp 1, 2

[Interview with F.E. Musayev, secretary of the Azerbaijan Communist Party Central Committee, by AZERINFORM correspondent: "Food Resources Adequate. Strict Control of Their Distribution Needed"]

[Text] A conference was held last week in the Azerbaijan Communist Party Central Committee. There they discussed questions of the provision of food to the population and preparations for the winter. Despite what would appear to be a traditional agenda, the convocation of the present conference was dictated by circumstances that, without exaggeration, are extreme in nature. In the republic itself as well as in the country at large, we are seeing a shortage of essential food products: meat, dairy products, flour, grits, eggs, etc., which quite naturally gives rise to a mood of dissatisfaction among the people. The onset of the winter period may greatly exacerbate the situation: many questions in the provision of power to Baku and a number of regions of the republic have not been resolved and the firing up of boiler rooms and the preparation of heating systems began late this year.

In discussing these problems, what conclusion was reached by those participating in the conference in the Central Committee? Is there hope that the coming winter will not be another one of the severe tests that have so often been our fate recently? This was the subject of the conversation between the AZERINFORM correspondent and F.E. Musayev, secretary of the Azerbaijan Communist Party Central Committee.

"I would not encourage too much optimism but I will present just one figure that speaks very elegantly," stated Fuad Enverovich at the beginning of the conversation. "In the first 10 months of this year, the republic's egg stocks have been overfulfilled by more than 21 million eggs. Almost this entire above-plan amount went to Baku. But you know very well what the true situation is with respect to eggs: it is now extremely difficult to find them not only in the stores of the capital city but often in the market as well, where 10 eggs sell for five rubles."

"In the first 10 months of this year, by the way, more grits and macaroni products were stocked than in the same period of last year. They are also absent in free trade, however. Baku received almost 800 tons of butter more than last year but it is not available either."

[AZERINFORM] What happened, did speculative demand once again play an evil joke?

[Musayev] Of course this happened too. But here there is a whole bouquet of interrelated problems that we brought out when we analyzed the situation. It must be said that we are doing a poor job of accumulating stocks for a large number of kinds of foods. Take meat, for example, where 88.8 percent has been acquired. That is, deliveries are short by 11,600 tons. Part of this quantity is due to Gosagroprom (4,300 tons) and part to the poultry industry (7,200 tons). The shortfall under subsidies was 2,500 tons. Milk stocks are 82 percent acquired. The delivery shortfall by the Ukraine amounts to 59,700 tons of flour and this is more than 90 percent of its obligations for the first 10 months. The flour situation is especially tense: it is only a four-day supply. We are provided with barely over half [of the required amount]!

In short, we are seeing economic ties disintegrate. Essentially the ukase of the president of the USSR on urgent measures for their stabilization is not working. And here, of course, there are reasons for concern....

But let us try to look at the problem from the other side. For, as a rule, most of the stocks that have been released reflect a real need of the population of the republic for different kinds of food. And that quantity falling short of the plans should in no way have led to the situation that we are now observing.

[AZERINFORM] How do you explain it?

[Musayev] The basic question is how the available supplies are delivered to the consumer. Today, unfortunately, essentially no one is monitoring this.

Here is an example: there is no meat or chicken in the stores—at best, the coupons are used for canned stewed meat. But if you go into any restaurant or public catering cooperative, they will give you all kinds of shashlik. Here they are just warming their hands on the shortages! Please tell us where the cooperatives are getting so much meat and poultry? Their number is growing like mushrooms after a rain and not one of them has its own subsidiary farm. It is rare that anyone has a contract with private farmsteads. It is clear that a significant share of state resources are flowing here.

The situation with flour is analogous. The republic's Ministry of Grain Products created a countless number of so-called "company" stores for the baking of bread, and private persons trade in bread on every corner. It is they who are pilfering the stocks of flour intended for sale to the population. There is no flour, but surplus bread is being used to feed livestock! But to a certain extent, flour in the home compensates for the shortage of meat: they use it to prepare a dozen dishes of our national cuisine.

Here they have also reduced processing capacities: there is grain—stocks of it for three months—but there is no place to grind it.

And what is happening with cigarettes? There is open speculation but law enforcement agencies and local soviets appear not to notice this....

[AZERINFORM] As far as I know, the Central Committee specified a program of measures to normalize the food situation in the republic....

[Musayev] Yes, we worked out our own proposals based on the experience in the work of party bodies of the republic. As of today, unfortunately, the local soviets do not yet possess real instruments of authority. The economic tools on which so many hopes had been placed are not working either.

It is clear that these are, as they say, temporary difficulties having to do with the transition to new administrative structures. But the existing situation requires urgent measures: it is necessary to feed the people. It is no accident that the situation in the country was put on the agenda for the session of the USSR Supreme Soviet. And we cannot sit by idly in the expectation that everything will come about by itself.

[AZERINFORM] What measures is the Central Committee proposing to stabilize the food situation? Is there hope that they will be realized? After all, today not even presidential ukases are being carried out.

[Musayev] Here, of course, not the least role must be played by public opinion, especially primary party organizations, the working class and the aktiv of deputies, and, in general, by all of us being imbued with a consciousness of the unusual nature of the situation and with the understanding that if today we do not put pressure on those who are indulging the dealers and speculators and showing disdain for their duties and party card, then ultimately we will only exacerbate the prevailing chaos from which we are all suffering.

Among the operational measures, we are proposing prohibiting enterprises from arbitrarily exporting food commodities produced in the republic, with the exception of interrepublic deliveries. Although here as well, we think, there is room for maneuvering: we are proposing the study of the possibilities for the reduction of exports of products in interrepublic deliveries in the month of December and of utilizing the freed resources as an exchange stock for food. We also consider it necessary to prohibit the release to cooperatives of all kinds of food through state resources and the temporary banning of deliveries of poultry and eggs to company stores of the poultry industry, concentrating all of this output in the stores of state trade and consumer cooperatives. It is temporarily expedient to concentrate all basic kinds of food, including meat, butter, and dairy products in the state trade system.

It is also necessary to put in working order all water and mechanical mills in the rayons so as to limit the delivery of flour to the rayons from Baku. This will make it possible for us to ensure the standard supply of flour at bread-baking enterprises. Considering that rice is the

most widely consumed product in our republic, we are proposing that we increase its deliveries to the republic at the expense of stocks of other hulled products that are less popular here.

It is likewise essential to set, in the first place, a standardized distribution of commodities to particular hands and to establish deputy posts at all trade facilities, depots, flour-milling combines, and other enterprises producing food products. It is also necessary to control the movement of food freight on the railroads. Overall one should tighten up measures to protect food freight.

For operational review of the problems having to do with food, it is essential to establish a republic commission. Analogous commissions must be established in the rayons.

All of these measures, of course, must be supported by the strictest control on the part of public opinion and on the part of law enforcement agencies. I must say that the Azerbaijan Communist Party Central Committee is greatly concerned about the position taken in this matter by the party gorkoms and raykoms: essentially they are taking no action. Nor are the soviets of people's deputies performing the functions of their authority: there is complete indifference toward everything that is happening all around! They occupied some easy chairs and were satisfied with that. But they were elected by the people! What are they counting on?

I wish to note that the Central Committee will most strictly call to account the secretaries and leaders of local authorities—all those who still have a party card in their pocket—for the nonperformance of their duties and above all for not wishing to help establish order in the provision of the population with food. Today this must be a matter of primary importance for every communist and especially for those who have been given a certain amount of authority.

[AZERINFORM] We would like to believe that all of this will help establish order in a short time. Especially since a ukase was issued by the president of the USSR on strengthening working control for the purpose of establishing order in trade and representatives of this body have now been given the broadest powers.

But we are all still concerned about the coming winter. Fortunately, the weather is still cooperating.

[Musayev] Yes, the forecasts for this winter make one stop and think. It is expected that the shortage of electric power in Transcaucasia will be 600,000 kilowatts. The situation with respect to the provision of gas and heat is not the best. We have analyzed the situation in this connection as well and we know all of the sore points. It is now necessary to mobilize all human resources and technology, especially to accelerate work in preparing heating systems, which was greatly delayed in getting started this year throughout the republic. After the conference in the Central Committee, by the way, many shortcomings in Baku have already been overcome. In

this connection, we again do not sense the proper concern of local soviets about these problems. Many boiler rooms have not yet been activated in Baku. Many schools, kindergartens, and departmental buildings are without heat. Not to mention the fact that throughout the republic the introduction of new capacities and the schedule for the conclusion of capital repairs at large facilities for the supplying of power and heat is being disrupted.

Participating in the conference that we held were heads of all interested ministries and departments and representatives of local authorities and law enforcement agencies. They have all been given specific tasks in the prompt adoption of measures. They must inform the Central Committee on their execution within a few days. In particular, we expect a report from Gosagroprom on what measures have been taken for the unconditional performance of the plans for the delivery of food. I think that we will be able to influence the situation and significantly alleviate the situation in the republic's consumer market.

[AZERINFORM] We fully share your hopes and therefore we wish you success in the work that we have begun.

GOODS PRODUCTION, DISTRIBUTION

RSFSR Agroprom Statistics Show Hunger No Threat for 1991

914D0104A Moscow ARGUMENTY I FAKTY
in Russian No 1, Jan 91 p 2

[Article by V. Nefedov, chief of the directorate for statistics of the agro-industrial complex of the RSFSR State Committee for Statistics and candidate of economic sciences, under: "Where There Is Private Ownership of the Land, There Is No Hunger" rubric: "Is Hunger Threatening Russia?"]

[Text] Unfortunately, such a question is now being asked frequently, although there was much talk in the summer about an unprecedented harvest. How much food was produced in the Russian Federation last year and is there enough of it for the winter?

Overall for the RSFSR, the production of gross agricultural output declined by three percent relative to 1989 in comparable prices. A rather large harvest of grain crops was brought in: 127 million tons bin weight and 116.8 million tons storehouse weight (after processing), which is 11 percent more than in 1989.

The volume of milk production was at about the level of 1989—56 million tons—as was meat production (10 million tons dressed weight). At the same time, the production of eggs declined by three percent, amounting to 47.5 billion eggs. The republic's industry increased the output of food products somewhat.

As for the "second bread"—potatoes—the harvest was 31 million tons, or 8 percent less than in 1989. They dug

10.5 million tons of tubers at public farms and the remaining 20.5 million tons (66 percent of the total harvest) at farms of the [private] population.

On the average, 79 quintals of potatoes were harvested from each hectare in the public sector, whereas for the private population the harvest was 114 quintals per hectare on similar lands and under the same weather conditions, without a lot of commotion, extreme measures and the involvement of extra workers in the harvest. The total harvest of vegetables was 10.3 million tons, sugar beets 30.6 million tons, and sunflower seeds 3.4 million tons, which was 8, 18 and 10 percent less than a year ago, respectively.

Calculations show that the production of agricultural output in Russia, taking into account food imports, will be sufficient to ensure a per capita consumption in 1991 that is not below the level of previous years.

So there is no justification for talk about impending hunger, although a tense situation has developed in the food market. The practice of the rationed distribution of basic food products is expanding. Despite the fact that 1990 deliveries of food products to trade from state resources were almost equal to the level of 1989 and those of grits, macaroni, candy, tea, herring, canned fish and edible fat even increased somewhat, many products came to be in very short supply. The people who have been standing in lines have no confidence in tomorrow and are stocking up on food.

On the average for the republic, according to the latest survey, personal stocks of macaroni products were sufficient for 40 days, rice and sugar for 50 days, and flour and grits for three months in terms of average per capita consumption, which is significantly more than a year ago.

Moscow, Leningrad, Sverdlovsk, Chelyabinsk and other industrial centers were in an especially difficult situation. The difficulties in supplying the population with food products are largely related to the fact that under the conditions in which the previous administrative-command measures are not operating and the attempts to apply new measures—economic measures, including the introduction of new purchase prices, "Harvest-90" checks, purchases of grain for foreign exchange and the countersale of material and technical resources—are not having the desired effect, great problems arise in the formation of state food resources and there is a breakdown of deliveries between republics, krays and oblasts.

The farms [khozyaystva] of the RSFSR sold 34 million tons of grain to the state (71 percent of the state order). This amounts to only 28 percent of its gross harvest. There were significant reductions of sales of potatoes and fruit and vegetable output. The farms fulfilled less than half of their contractual obligations for the sale of potatoes, 78 percent for vegetables and 56 percent for fruit and nuts, although the resources were available in many regions. They did not fulfill the state order for the

delivery of potatoes, vegetables and fruit to Moscow, Leningrad and other industrial centers and rayons of the Far North.

Major destabilizing factors are the abuses in the entire chain of the food supply, cases of economic sabotage, serious failures in organizing the transportation of food products and the unloading of railroad cars, the creation of an artificial shortage and speculation.

With the exception of losses that unfortunately are large, the products produced in the republic will end up on people's tables one way or another. But the channels through which they reach the consumers will change somewhat. In connection with the reduction of the quantity of potatoes, fruit and vegetables in state resources, people will have less opportunity to acquire these products at relatively low prices in state trade and will more often buy them at higher prices in consumer cooperatives and at kolkhoz markets. Prices in the markets will rise sharply because of the increase in demand for food and the higher purchase prices for grain, livestock and poultry. They are also being raised artificially. High prices put people with low incomes in a difficult position, especially pensioners and families with many children.

In Russia, there are 1.5 hectares of agricultural lands per capita (0.5 to 0.7 hectare in Bulgaria, Hungary, Yugoslavia, Poland, France and Finland and 0.3 hectare in Great Britain). Only two percent of the total area of agricultural lands is in private plots (0.03 hectare per inhabitant of the republic). They provide 22 percent of the gross output. For this reason, as soon as possible one should freely turn the land over to ownership by all citizens wishing to be involved in farming as well as horticulture and gardening. After all, Russia has an enormous potential that allows it to resolve the food problem in a short time. All of this will help to stabilize the situation in the society and to establish a calm atmosphere for the formation of a market infrastructure.

Conversion: Estonian Uranium Plant To Produce Consumer Goods

914A0336A Tallinn MOLODEZH ESTONII in Russian
20 Nov 90 p 1

[Report by ETA correspondent F. Kaazik: "Conversion Sillamyae Style"]

[Text] Uranium production has ceased at the Sillamyae Chemical-Metallurgical Association. The premises have been emptied of equipment. Some of it has gone for scrap and scrap metal, some is to be decontaminated. According to the chief engineer at the association, Valentin Sushko, by the end of the year everything should have been completed. The available premises will be used for the production of goods for the national economy.

What does this conversion mean for the enterprise? First of all a switch to the production of output to satisfy the

consumer—permanent magnets, catalysts, artificial emeralds, fabric for air filters, respirators, fertilizer, components for the manufacture of paints. V. Sushko names many enterprises in Estonia as consumers—the Pyussi Wood-Particle Board Plant, "Vazar," the Maardu Plant, collective and state farms. Incidentally, permanent magnets are a very promising product, and in this field cooperation is under way with a West German company, using local raw materials. This output is essential for everyone who produces domestic instruments. It is planned to produce boxes for video cassettes in cooperation with a company in the United States.

Interest in Sillamya's new peaceful output is also being shown in the Soviet Union, and all necessary conditions exist for successful barter. V. Sushko believes that Estonia could obtain goods from virtually every republic for the association's output. The enterprise is still subordinate to the Union Ministry of Atomic Energy and Industry. In answer to the question of how relations are being set up with the Estonian Republic, V. Sushko replied diplomatically that there is a certain amount of caution vis-a-vis the enterprise here. In his opinion, the Estonian Government is underestimating the capabilities in Sillamya. Moreover, at this time the association is firmly tied to the Union ministry in matters of supplies. In the event that there is a move to separate the enterprise, it could be converted, for example, into a joint-stock company. Perhaps then it will be easier to find a common language. For the time being a course has been set toward expanding cooperation with enterprises in Estonia. Does the secret nature of the enterprise interfere with the work? In the opinion of the chief engineer there is no difficulty. Of course, every enterprise has things about which they do not speak aloud, for example, prime costs. For it is, after all, a matter of competition, particularly in the foreign market. And the people in Sillamya do have such a market.

PERSONAL INCOME, SAVINGS

Statistics Show Poor Growing Poorer

914D0084A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 15 Dec 90 p 2

[Unattributed article: "And the Poor Are Growing Poorer"]

[Text] According to one of the laws of economics, the lower the income someone has, the larger the part of that income that someone has to spend on food.

As we have been informed by the Goskomstat [State Committee for Statistics] and the VTsSPS [All-Union Central Council of Trade Unions], about 45 million people in our country have an income below 70 rubles [R] a month, 71 million people have an income of about R100 per capita. Meanwhile, the figure of the subsistence minimum—the so-called "poverty threshold"—is computed differently by different organizations.

The Goskomstat sets it at R85 a month (last year it was R78).

Trade unions raise this level to R99 (considerably higher in Moscow), as they think that, apart from the inflation rate, one has also to account for harmful, but hard to get rid of, habits (about 70 million people in the country smoke, for instance.)

The Institute of Population and Social Studies sets this minimum at R90—R95. According to its data, the average income of our white-and blue-collar workers increased in 1989 by eight percent, the income of peasants increased by seven percent. However, the inflation rate was 7.5 percent. So, the number of low income people will not diminish in the nearest future. And such people (with per capita income of under R100) make up almost 28.3 percent of the entire population.

The Goskomstat informs us that prices rose in 1989 two or two and a half times on an average. For the low income people that increase was 5.6 percent higher, in small towns especially.

It is obvious that these are the people of the "risk group" that will be the first ones affected by the worsened food situation.

Insurance Payments Into Pension Fund Described

914D0113A Moscow IZVESTIYA in Russian 7 Jan 91
Union Edition p 2

[Article: "About Contributions to the Pension Fund of the USSR"]

[Text] The USSR Council of Ministers confirmed the conditions and procedure for compulsory insurance payments to the USSR Pension Fund by citizens.

In accordance with the Law of the USSR "On the Provision of Pensions to Citizens of the USSR" and the decree of the USSR Supreme Soviet "On the Procedure for the Introduction of the Law of the USSR 'On the Provision of Pensions to Citizens of the USSR,'" compulsory payments to the USSR Pension Fund are set at one percent of wages.

Compulsory insurance contributions must be paid by all categories of citizens subject to state social insurance in accordance with prevailing legislation.

The insurance contributions to the USSR Pension Fund are paid by workers and employees from wages, by members of cooperatives from the income received in the cooperatives, by kolkhoz members from all forms of remuneration in the social economy of the kolkhoz, by citizens working in religious organizations, including the clergy, from income received from the work in these organizations, and by other persons subject to state social insurance from received income.

Compulsory insurance contributions of citizens will be deducted from wages and retained by enterprises, institutions and organizations at the place of payment of wages (income).

The wage (income) for the calculation of compulsory payments of citizens is defined in a manner analogous to that of wages (income) for which contributions are calculated for state social insurance by enterprises, institutions and organizations.

When there are multiple jobs and compulsory insurance payments made other than at the main place of work, the administration of the enterprise, institution or organization is obliged to report on the amounts at the place of the primary work of the citizens. Compulsory insurance contributions will be set forth in a special insert in the labor book.

Compulsory insurance payments of citizens to the USSR Pension Fund must be transferred by enterprises, institutions and organizations in the manner and time established for the making of payments to state social insurance.

Offices of the USSR Pension Fund, together with state tax inspectorates, are entrusted with monitoring the correct and timely receipt of compulsory insurance payments to the USSR Pension Fund. Enterprises, institutions and organizations are obliged to provide these offices and inspectorates with the information on the transfer of the compulsory insurance contributions of citizens that is needed for control.

Officials of enterprises, institutions and organizations bear responsibility in the established manner for the incomplete and untimely retention and transfer of compulsory insurance contributions to the USSR Pension Fund.

The conditions and procedure have also been affirmed for the state social insurance of persons employed in individual labor activity, including under the conditions of individual (group) leasing or in personal peasant farming.

The state social insurance of these persons will be accomplished on a voluntary basis.

In accordance with the Law of the USSR "On the Provision of Pensions to Citizens of the USSR," those employed in individual labor activity have the right to a labor pension under the condition of the payment of insurance contributions to the USSR Pension Fund. They receive the right to other forms of security under state social insurance established for workers, employees, and members of cooperatives under the condition of the payment of insurance contributions to the USSR Social Insurance Fund.

Those employed in individual labor activity have the right to state social insurance either in the USSR Pension Fund and the USSR Social Insurance Fund simultaneously or in one of these funds. The payment of labor

pensions and other forms of security of these persons will be accomplished through the means of the USSR Pension Fund and the USSR Social Insurance Fund.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are paid by those employed in individual labor activity from their income at rates foreseen for insurance payments to these funds from the remuneration of the labor of workers, employees, and members of cooperatives, including the compulsory insurance payments of citizens. The amount of the income is determined in a manner set forth in Article 19 of the Law of the USSR "On the Income Tax from the Citizens of the USSR, Foreign Citizens, and Persons Without Citizenship." If a person is employed in individual labor activity based on a license, he makes insurance payments from the amount of income determined as the basis of the payment for the patent.

Persons employed in individual labor activity and expressing a desire to receive pensions and other forms of security turn to the offices of the USSR Pension Fund and USSR Social Insurance Fund at their place of residence and complete their obligation.

The corresponding office of the USSR Pension Fund or USSR Social Insurance Fund will assign each insured person a registration number and notify him of the insurance rate and the time for the payment of insurance contributions.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are paid in the following manner: in each quarter, the insured party pays 25 percent of the annual sum of insurance contributions calculated in accordance with the income of the previous year and those paying insurance contributions for the first time pay 25 percent of the amount calculated in accordance with the expected income for the current year. At the end of the year or termination of the individual labor activity, the total annual contributions to the USSR Pension Fund (USSR Social Insurance Fund) are calculated in accordance with the income actually received and the difference between this sum and the sums paid during the year is subject to recovery from the insured or reimbursed to them by 15 March and within a period of 15 days in the event of the cessation of individual labor activity. In the event of a significant increase or decrease of income during the year, the insurance contributions may be recalculated at the wish of the insured.

Citizens engaged in peasant farming will pay insurance contributions to the Pension Fund (USSR Social Insurance Fund) once a year after the determination of the final amount of the annual income for each member of the peasant farm but not later than 15 March of the year following the year for which the insurance contributions are made.

The insurance contributions to the USSR Pension Fund (USSR Social Insurance Fund) are made (transferred) to the corresponding account of the USSR Pension Fund

(USSR Social Insurance Fund). The social insurance of those engaged in individual labor activity ceases at their request beginning the first of the month following the month in which the request is submitted. Offices of the USSR Pension Fund (USSR Social Insurance Fund) are obliged to issue to persons terminating insurance or changing their place of residence a report on the payment of insurance contributions, which is a confirmation of the length of service giving the right to a pension or other kinds of security. Paid insurance contributions are not subject to reimbursement here.

The offices of the USSR Pension Fund (USSR Social Insurance Fund) together with state tax inspectorates are entrusted with the monitoring of the timely and full receipt of insurance contributions.

The present regulation also extends to creative workers who are not subject to state social insurance. The income from which the insurance contributions are collected is thereby determined on the basis of a declaration of annual income.

Questions on Personal Taxes, Social Insurance Answered

914D0100A Moscow KOMSOMOLSKOYE ZNAMYA
in Russian 12 Dec 90 p 3

[Article by D. Dobrovolskiy under: "On the Topic of the Day" rubric: "War Against Taxes and Taxpayers"]

[Text] Donetsk—It is generally known that we work inefficiently. It is no secret that we are paid even worse. On 15 May of this year, however, the USSR Council of Ministers issued a decree under which 37 percent of the wage fund will be withdrawn to the state social security fund (and another one percent directly from wages to the pension fund). And many intuitively sensed a trick—they are certainly taking a lot. But can you really fight the state in the person of an accountant who always withholds something from your wages? No one has ever explained to us why it is so much and where it is used.

But they will now begin to calculate almost four times as much! Let us say that a certain Sidorenko labors at the plant. You see that 40-50,000 accumulates over the years of his work (what interest he could have earned if this were put in a savings account!). Sidorenko was on sick leave only once, he did not accept passes to sanatoriums and he died at the age of 60 (men in our nation live approximately 11 years less than those of the same age group abroad). And his pension was pitiful. But Sidorenko left behind some children, who were not able to save anything for furniture and a television set. Where is the justice?

It is most curious that this decree "slipped through" in our "revolutionary-perestroika time of the triumph of glasnost and democracy" and that the "go-ahead" for this action was given by the valiant official trade unions, which changed their shingle, thereby seeming to distance themselves from the stagnant past. Then, becoming

noticeably braver, they cursed the market and cooperators. But actually behind this decree are the billions from a worsening of the prosperity of people.

Actually it was the All-Union Association of Trade Unions of Working People of the Cooperative Enterprises of the USSR, with headquarters in Donetsk, that rushed to look into this "deal" and to sound the alarm. A special seminar was convened here the other day. There we learned many interesting facts about our reality.

N. Myagkova, jurist:

The fact that the former AUCCTU [All-Union Central Council of Trade Unions] headed by V. Shcherbakov did not argue with the government but agreed to such a constraining version is reason for dismissal. For even the president of the USSR understood that "they went too far" and reduced the tax rate for 1991 to 26 percent with the ukase of 5 October. But why 37 or 26, when one may also say 50, 60 or 15 percent? Calculations and scientific grounds are needed but they do not exist. We decided to do them ourselves with the help of scientists.

Z. Lukanova, specialist on social security matters:

The new insurance tariff is a blow to the pocketbook of working people and state enterprises as well as cooperators, only in different forms. The production cost of output will rise and hence so will prices. the income of enterprises and wages will decline. But this is not all. The most interesting thing is something else.

It would seem that the higher taxes have to do with the increase in pension. But the tax increased by a factor of four, whereas the increase in the pension was insignificant. Secondly, the new law on pensions will basically not go into effect until 1993 (pension payments will increase little in 1991). On the other hand, they want to withdraw huge sums beginning as early as January 1991. The result will be a fork. Thus, the recently established All-Union pension fund (and this is a cumbersome new structure) will take control of about 100 billion rubles [R] in 1991 alone. The republics must not turn this money over to the center senselessly. But this is not all either. The decree of the USSR Council of Ministers on 15 August of this year provides for the unfair redistribution of the resources. It would seem that the social security fund will increase excessively. But 80 percent of its assets will be withdrawn to the pension fund and only 14 percent left for social security. In 1991, for example R95.5 billion will go to the pension fund and only R15.6 billion will remain for social needs. This is little more than half of what was spent in 1990 for the most necessary things: the payment of hospital care and treatment at sanatoriums and resorts, the support of departmental kindergartens, etc. It is possible that in this way the government wants to patch some holes in the current budget but what is the purpose of the social security fund here?

And it is no accident that the participants in the conference passed a resolution in which they called upon the

republic parliaments to put a stop in their territories to the action of the decree of the USSR Council of Ministers on the formation of a pension fund and the corresponding ukase of the president and also demanded that the All-Union government present the necessary calculations and justifications.

It is necessary to have a new concept for social security that would provide for personal accounts for all working people, the right to inherit pensions, etc.

By the way, such studies already exist. This is what **G. Karpichev, Leningrad representative of the independent trade union "Unity" [Yedineniye] reported:**

In Kazan, the former AUCCTU maintains an entire research institute on social security questions. But the latest studies by scientists no longer suit their bosses, for now the central system of the trade unions is taking and distributing 94 percent of the funds and leaving just six percent in the localities. The scientists showed that it is sufficient to centralize 24 percent and to leave the remainder in the localities. The interest of the insurers will thereby increase greatly. There are also other studies, e.g. on the most rational and fairest commercial insurance. Our trade union will cooperate with the institute in Kazan.

The statement of M. Zakharov, chairman of the Commission on Social Policy of the Russian Supreme Soviet, was quite notable. He told of a new pension law that is supposed to be adopted in this republic very soon and of the conservative position of the central and the official Russian trade unions.

After the conference, its founders organized a small party in a private restaurant, which confirmed that our land has not yet become completely impoverished.

Certainly the readers will ask: What kind of a trade union is this that sharply criticizes the government and official trade unions, why was it founded in Donetsk instead of in Moscow, how is it financed, etc.?

We are indeed talking about a phenomenon. The All-Union Association of Trade Unions of Working People of Cooperative Enterprises is growing and becoming stronger unusually rapidly, although the official structures do not like it.

As of today, 89 large regional organizations (from the republic to the rayon level) have joined this association and individual collectives, lease and state enterprises are also joining. For example, the oblast trade union "Rembyttekhniki" expressed such a desire, as did the large trade union of the trust "Donetskselstroy." For the time being, they have asked that other state organizations not be revealed: it is not so easy for them to move from a state to a nonstate trade union.

The secret? The association centralizes only six percent of the trade union dues and all the rest remains and is expended in the localities. As its president Yu. Pivobarov reported, its headquarters does not deal with distribution and redistribution. The main thing is the juridical defense of the movement and its members exclusively through legal methods as well as the defense of social interests. It is notable that the association, which includes about 1 million people, has a staff of only 10 occupying six rooms. The staff is mobile, energetic and well paid. The conference in Donetsk was the third in the last few months. A major international fair-market is being prepared for the spring. The juridical service is the largest in the system. The financing of any programs is voluntary for all organizations in the association. Scientists and deputies at different levels are actively cooperating with this association. Representatives of oblast branch trade unions participated in the conference but the former oblast council of trade unions ignored it.

The lack of communication between the association and the Ukrainian parliament must be seen as a shortcoming. It would be useful for the deputies of the republic to take part in such a forum, because the Ukraine has to work out its own policy in the area of social security and pensions.

ENERGY COMPLEX ORGANIZATION**Atomic Energy Official on New Scale To Rate Nuclear Mishaps**

914E0037A Kiev RADYANSKA UKRAYINA
in Ukrainian 30 Nov 90 p 3

[Interview with state inspector V.V. Stovbun by O. Breus: "Scale of Danger for AES"]

[Text] As of September of this year, a scale for rating extraordinary occurrences at atomic electric power stations has been introduced in our country. It was elaborated on the basis of the scale proposed by an international group of experts. Explanation about the purpose and use of this scale is provided by the direction of the public information and communication group of the South-Western Region of the State Atomic Industry Control of the USSR, state inspector V.V. Stovbun.

[RADYANSKA UKRAYINA] Victor Vasylovych, is it really necessary to rate individual events at atomic stations, when we often hear calls for a reassessment of atomic energy in general? Is this not simply an attempt to confuse the public?

[Stovbun] The public, especially the population living close to an AES [nuclear electric power station], shows a completely understandable concern and interest about any events occurring at atomic stations. It has long been time to dispel the fog of secrecy around atomic energy, which fosters the growth of rumours. And although some of them, as we now see, were not without foundation, most of them were fabrications. It is obvious that this "method" of informing the public must be stopped. The government and atomic departments have finally understood that the continued use of atomic energy without widespread provision of information about everything that occurs at AESs and around them, without the necessary work with the public and the population, is unthinkable. Work of this type has long been done, and not without success, by atomic specialists in all developed countries. I learned about this during my mission to the United States. As far as the use of atomic energy, in the United States, for example, a program is presently being considered which views further construction of AESs as the only rational source of electric energy.

Incidentally, in September, inspectors from the United States nuclear regulatory commission, which controls safety within the nuclear industry and at AESs, were in Kiev. They also visited the Khmelnitskyi atomic electric station. They measured the levels of radioactivity at the AES and in the city of Netishyn, using their own instruments. According to them, the levels everywhere were significantly lower than in comparable places at American AESs. The guests were satisfied with the station itself and with its operation. Incidentally, they stated that the forms and methods of control of AESs are quite similar in the USA and the USSR. But in their view our work with the public and the population is at quite a low level.

So let us return to the subject of informing the public about irregularities at AESs. According to the principles we go by, every unplanned stoppage of an individual equipment group or a whole energy unit is qualified as a "disturbance in the functioning of the AES." However, different disturbances pose different measures of danger to people and the environment. Just as there are different types of damage to a car. A stoppage because of an engine problem does not pose a danger. A stop resulting from the malfunctioning of the steering mechanism, which does not cause an accident, poses a potential danger. And a collision caused by brake failure—this is already an accident.

The complexity and large number of systems in the AES, the subtleties of specialized terminology, make it impossible to communicate in as brief and understandable a manner the degree of danger of an occurrence at an AES. In France, Japan and other countries scales are being used for rating occurrences at AESs which can be compared to scales rating the strength of earthquakes or wind forces. A scale of this type has also been elaborated by the International Atomic Energy Agency. Now a similar scale has been introduced here.

Its purpose is the operative assessment of the real or potential danger posed by occurrences at AESs to people and the environment, and the communication of this information to the public through the mass media. The occurrences subject to rating by this scale are only those involving nuclear and radiation safety. Events which do not relate to safety are rated as being below the scale, that is, at zero level. Accidents and incidents of a technical character or other occurrences which are not linked to the work of atomic institutions, are not rated by this scale and are defined apart from the scale.

The scale consists of seven levels: an insignificant incident, an incident of medium significance, a serious incident, an accident within an AES, an accident with threat to the environment, a serious accident, a global accident.

The first two levels do not pose a real danger to the population or the environment. The third level reflects a certain danger, but only a potential one. That is why occurrences at the first three levels are called incidents, and not accidents, in contrast to the last four levels.

[RADYANSKA UKRAYINA] What criteria are used to decide at which level of the scale an occurrence at an AES is rated?

[Stovbun] The criteria are, first of all, radioactive emissions beyond the limits of the AES; second, contamination at the AES, excessive radiation of the personnel and damage to the reactor; and, third, deterioration of multiple-stage protection. That is, criteria are used which characterize the safety of the reactor, or, more precisely, the safety of people in relation to the condition of the reactor and its protection. There are also other conditions, which do not directly affect safety, but which call for increasing the level of the occurrence by one degree.

This would include, for example, occurrences which show flaws in the safety-maintenance procedures.

The first and second levels of the scale reflect a decrease of the preparedness of protection systems and are not linked with radioactive emissions, radiation of the personnel or damage to the reactor. The third level reflects the loss of multiple-stage protection, or excessive radiation of the personnel, or a very insignificant external radioactive emission—at a level not above the existing limits. The fourth to the seventh levels are linked with radioactive emissions ranging from small levels to levels which significantly affect the health of the population and including damage to the reactor. Incidentally, the levels of emissions are measured more strictly by our scale than by the International Atomic Energy Agency scale.

By way of example, let us cite the two best known occurrences at AESs. The Chernobyl catastrophe is rated at the seventh level. The accident which occurred in the USA in 1979 at the Three Mile Island AES was linked with serious damage to the reactor, but did not lead to large emissions of radioactivity into the environment; it is rated at the fifth level. Most of the occurrences at our AESs which have recently been reported in the press would be rated at the zero, first or second levels.

[RADYANSKA UKRAYINA] Who does the rating of AES occurrences, making use of the scale that has been introduced?

[Stovbun] At every AES people are designated as responsible for assessing occurrences and relating them to a given level on the scale. They have to take a special course to learn how to rate occurrences at AESs.

[RADYANSKA UKRAYINA] Does this procedure not lead to rating the safety of an occurrence at a lower level, or at least, to subjectivity in its assessment?

[Stovbun] The rating of an occurrence carried out at the atomic station is necessarily linked with an inspection by the State Atomic Industry Control. As to subjectivity, one can hardly claim to absolutely avoid it in all cases. But often all the details of an occurrence become known only after a special, usually long-lasting investigation is carried out; incidentally, this investigation is done and was done earlier, independently of the rating by the scale, in every case of disturbance in the operation of an AES. That is why the rating of the occurrence that is done on the spot is preliminary, and it may be made more precise after the completion of the investigation. The main value of the scale lies in the fact that it makes it possible to obtain preliminary information in an operative manner about an occurrence at an AES and notify the public about it. Information about occurrences rated below the fifth level of danger is communicated to local media within five hours; about occurrences at the fifth, sixth and seventh levels—immediately. And after the Chernobyl catastrophe, there is no need to explain how important this is. But the purpose is not only to warn the population about danger. If AESs work

in conditions of openness, of inevitable public discussion about dangerous violations, this will lead to an increase in the responsibility of all professional workers connected with atomic energy.

I think that if in its time information about occurrences at AESs had not been hidden behind "seven seals," even from specialists, we would not have had the Chernobyl catastrophe.

Government Program to Overcome Energy Deficit Examined

914E0044A Moscow *PRAVITELSTVENNYY VESTNIK* in Russian No 51, Dec 90 p 3

[Interview with Vitaliy Vasilyevich Bushuyev, Director of the Subcommission of the USSR Supreme Soviet on Power Engineering and doctor of engineering sciences, by L. Tsvetkov, chief specialist of the Information Section of the USSR Council of Ministers: "The Power Deficit. How Is It To Be Avoided?"]

[Text] We talk about the State Power-Engineering Program which the government developed.

The draft of the All-Union Agreement calls for, in Article 5, which defines the authority of the Union, "control, jointly with the republics, of the country's Unified Fuel and Power System." And this is understandable. There is not one important state figure, politician, executive, or scientist, no matter how hot the arguments are around problems of "sovereignty," who doubts that the fuel and power complex should operate as a unified one for the whole economic expanse of the Soviet Union. There are considerable differences of opinion about approaches to the more parochial problems—for example, choice of priorities, the siting of capacity, settlements for resources, and other matters. But, in the main, perhaps everyone who is attached to the idea of good-neighbor collaboration of sovereign republics will agree: the fuel-and-power system, the base of bases of the life support of the country, cannot be the subject of political dealing, it must be developed by everyone together. This actually existing understanding also has been reflected in the lines of the draft All-Union agreement that has been cited. And it is destined to be realized through the Power-Engineering Program—one of those statewide programs in whose financing and execution all the republics will participate, as has been recommended.

At the request of the editorial board, V. Bushuyev, director of the USSR Supreme Soviet Subcommission on Power Engineering and doctor of engineering sciences, comments on the essence and principles of the State Energy Program that the government has developed.

[Tsvetkov] Vitaliy Vasilyevich, despite the fact that everyone, it seems, understands the importance of the fuel-and-power complex and his everyday dependence upon the state of affairs therein, it is still under attack. And the blows are rather heavy. How do you evaluate their consequences?

[Bushuyev] In evaluating the consequences, one must proceed from the fact that power generation is one of the most intensive branches in terms of capital, labor and materials. And the program's developers are, of course, paying attention to that fact. Power engineering, they note, takes from the national economy about a fourth of capital investment, a fifth of the labor resources, more than three-fifths of the pipe produced in the country, up to 20 percent of other ferrous metallurgy output, almost a sixth of the copper and aluminum, and the same share of what the cement industry and machinebuilding produce.

I am not speaking right now about the utilization effectiveness of this whole mass of resources. I am simply establishing that such a resource-intensive branch inevitably is extremely ponderous. What does this mean in practice? The fact that, for example, in curtailing investment in this complex, we do not immediately feel the drop in production of fuel-and-power resources, for it makes itself felt only after two or three years. But—and this is the main thing!—restoration of the previous amounts occurs only after 8-10 years. At least under the current level of monitoring and management.

[Tsvetkov] And, consequently, the stopping of construction and the cessation of operation of 70 power stations at society's demand and with the support of local authorities....

[Bushuyev] ...means for us not simply the loss of about 160 million kW of total capacity and half of the current capacity of the USSR Unified Power System. This means also a loss of pace in getting the national economy out of a crisis. And if we add that about 40 percent of the power equipment has served out its service life completely, then it is clear: we are about to fall into a power-engineering catastrophe because of an ecological disaster. Truly a catastrophe. After it there is a collapse of all social programs and complete breakdown of the country's life-support system.

[Tsvetkov] Aren't you exaggerating? Is the reserve of strength in our power-engineering indeed so insignificant?

[Bushuyev] Previously we were consoled by the fact that, having 5.5 percent of the world's population, we possess a fifth, that is, 20 percent, of the explored reserves and, we are extracting 21 percent of the world's power-engineering resources. But the consolers said nothing about the fact that the material production sphere consumes the major portion of these resources of ours. For municipal and household needs, that is, for the needs that are tangible for each person, we consume 43 percent as much as the U.S. does.

And so it is that, with an energy consumption that is more than modest in the social sphere, we have a standard level of electrical reserve capacity that is below the lower limit—about 13 percent. Compare this with Western Europe, where it is 35-50 percent. And right

now we must forget about our paltry standard, because the actual reserve is 4-5 percent.

[Tsvetkov] Frankly, the comparisons are depressing. And the prospects that ensue from them also are depressing for us. What should be done in order that the Wellsian "Russia is in darkness" will not cease to be a metaphor and does not turn into reality, not even for any of the republics?

[Bushuyev] First, let's stop driving ourselves ever deeper into a corner. The tug of war between the ecology and power engineering must cease quickly. We are already feeling the effects of this adult game, depriving ourselves of the simplest medicines....

[Tsvetkov] You are taking those approaches that are cited in the draft of the Power-Engineering Program?

[Bushuyev] Basically, yes. It impresses me that during refinement of the draft, its "social" component is increasingly brought to first priority. It would seem that we must move farther in this direction.

What do I have in mind? That everyone who picks up this paper sees clearly that Indicators of the quality of life of our people are taken as the starting point for all the calculations. Indeed, everything that determines the living standard—be it pure water, meat or bread, square meters of housing, refrigerators or coffee grinders, hospitals, schools, vuzes, or printing houses—literally everything has its power-engineering equivalents. Including also the process of material production and working conditions, if they also are to be viewed as man's requirements.

[Tsvetkov] I understand that such a program is a document that is as much political as it is economic. Consistent logic actually would facilitate its passage, by the republics and by you—the Supreme Soviet, where not one professional will discuss it....

[Bushuyev] That is not the point....More precisely, that is not the only point. It is much more important that society evaluate realistically its own prospects. For example, it is apparent from the specialists' computations that by the year 2000, and even by the year 2010, we will not be able to come up even to the current living standard achieved in the advanced countries. Let's say we will need 10 years to increase the estimated living space per capita from today's 14.5 square meters to 18.5, and 20 years to increase it to 24 square meters. But in the United States right now there are 50 "squares" per resident, that is twice as much....

Our "greens" must also see these realities instead of the indiscriminate "Close them!" For instance, the draft program cites evaluations by specialists of the Siberian Division of the USSR Academy of Sciences: Given the estimated increase in thermal electric-power station capacity, if one sets the goal of reducing discharges into the atmosphere by about 5 percent, then about 30 billion rubles more will have to be invested at the first stage.

And a 10-percent reduction in discharges will require almost three times as much. Is that something to think about? In real life a middle ground must be sought.

This approach, which is followed in the draft program, also appears to be productive. Let us assume that it establishes that the ecological component of the cost of new power stations should be at least 30 percent, which, incidentally, is much more than today's grants for protection of the environment. One can argue about the figure, and the ecology specialists undoubtedly will analyze it with great partiality. But one thing is indisputable: It is a constructive path, not the dead-end path taken when local organs simply prevent new power-engineering construction.

All this undoubtedly tells on the strategy for developing the fuel and power complex. Evidently, we will be compelled to declare a moratorium on the construction of nuclear stations for 5-8 years, having organized a "gas interval" in order to maintain a reliable supply of electricity. But indeed neither are gas reserves unlimited. This means that during this period it will be necessary to prepare other AES designs, including underground stations, and to find new solutions for coal-fired power engineering.

[Tsvetkov] I would like to call your attention to the fact that the draft of the All-Union agreement discusses "joint control with the republics" of the fuel-and-power engineering branch. How do you suppose that the possibility of replacing the dictates of the center with the dictates of the republic is not incorporated in this formula?

[Bushuyev] In my opinion, the formula is accurate. It touches such a delicate topic as regional questions of the Power-Engineering Program.

Its developers, in my view, chose the initial position correctly: the document indicates possible and desirable transfers of energy resources from one republic to another, and, for the RSFSR, interregional transfers also.

But, after determining who has a deficit and who has a surplus of power resources, and precisely what they are, we take only one step. But indeed, it is necessary right away to think also about a second one: how to effect these transfers. By directives? But we will immediately encounter opposition in the republics: the center, they say, is trying, as before, to be in charge of our property.

The formula "joint control" opens up, in my opinion, great prospects. The center, having calculated optimal transfers, carries out part of its regulating functions: it indicates to whom, from whom, how much, and which energy resources it would be expedient to buy.

Practical organization of the sale of these resources is the prerogative of the other party, the republics, which will conclude economic agreements among themselves and determine quotas, that is, the total amounts of sales during the first stage of conversion to the market will

also determine price levels. Local soviets, in receiving the right to coordinate rates for electricity, also are thereby included by power-engineering policy in the generation and sale: they will be able to expend a portion of the "fat" from profitable rates for ecological purposes.

Will the center take part in acts of buying and selling? Yes, but only as an intermediary. The actual sellers are the enterprises and associations which extract, process, and produce energy resources. The center's commercial organizations, it seems to me, will do business with them directly: they will purchase resources not from the republic but, let's say, electricity from the Surgutskaya GRES or the Kolskaya AES, and oil or gas from the appropriate extracting associations. And, using the existing LEP's [electric-power transmission lines] and trunk oil and gas lines at its disposal, will sell the output to whose in need of it.

Strictly speaking, this is generally accepted contract practice in most countries. We discussed these problems with the deputies' commissions, including those of Russia. Such a scheme of joint control, it appears, would suit everyone.

[Tsvetkov] The developers of the draft Power-Engineering Program are examining two options. The first is oriented to an average annual growth of national income of 4-4.7 percent. The second, to a 3-percent addition. The draft's slower pace is not being examined, since it involves a reduction in the standard of living for the people and because it is considered categorically unacceptable. Well, and what if in actuality these "categorically unacceptable" turn out to be the very thing?

[Bushuyev] All the indicators which must be reached under the program are not directive instructions. They are an optimal integrated forecast, how one must proceed for better results for the regions, the republics, and the country as a whole. Given that degree of indeterminacy that now exists in the economy, there is the danger that we can prove to be below the minimum permissible level. And then that which we already spoke about is inevitable: a failure of social programs caused by a power famine.

Can this be avoided? The State Energy Program is constructed not on bare wishes. It is based on 22 republic and regional programs. We depart from the gigantomania of creating superhuge power stations. One must take a look about specific regions—in many cases small-capacity stations are much more suitable, including gas-turbine and steam-and-gas stations, as well as installations that use nontraditional energy sources—geothermal, solar, wind, tidal, and so on. Consideration of the opinions and wishes of republic and local organs will strengthen confidence in the unified state program.

Increase in 1991 USSR Energy Costs Viewed

914E01454 Tashkent SELSKAYA PRAVDA in Russian
27 Oct 90 p 3

[Interview with Yevgeniy Ivanovich Petryayev, Deputy USSR Minister of Power and Electrification, by R. Akhmetov, TASS correspondent: "Energy Is Becoming More Expensive. Why?"]

[Text] **Foreign tourists who come here are surprised at many things. In particular, we have, in their opinion, very low rent, and the price of electricity is almost mythical. Actually, in the cities the people pay two to four kopecks per kilowatt-hour, while rural residents pay even less—about one kopeck.**

We do not take it upon ourselves to predict how these prices will be changed with conversion to the market economy. But industrial enterprises and organizations will in 1991 begin to pay much more for their electrical and thermal energy than they do now.

"There are several reasons for this," explains Ye. Petryayev, Deputy USSR Minister of Power and Electrification. "Next year prices for fuel will be about doubled. And it determines the cost of energy to a great extent. Transformer and turbine oil and other material resources will be more expensive. We will pay for the use of land and water and for the discharges of harmful substances into the atmosphere by electric-power stations. All these expenditures will affect the rates.

"I note that the rate schedules now existing in the country absolutely do not reflect the true cost of either electrical or thermal energy. Consequently, they must be made to correspond with the costs."

[Akhmetov] Yevgeniy Ivanovich, you have named the current expenditures that will be incorporated in the rate schedules for energy. And who will finance the development of power engineering?

[Petryayev] Up until now a major portion of the expenditures, as is known, were covered from the state budget. Beginning next year the policy changes. The erection of power-engineering facilities that are of All-Union or interregional significance will be financed from the budget. These are nuclear and large thermal and hydraulic electric-power stations, as well as LEP's [power transmission lines] of 500-kW capacity or more that interconnect regions. Expenditures for these purposes comprise about 30 percent of capital investment in the branch. The remaining funds should be formed through local budgets, rate schedules, and shared participation of energy consumers in the construction of power-engineering facilities, as well as bank credits, which the power-engineers will get and pay off later through their rate schedules.

[Akhmetov] Who will set the prices for energy?

[Petryayev] In today's environment, when the republics have acquired sovereignty and economic independence,

there is no point in the center sending them the rate schedules. But the functions of price regulator should remain with the state; otherwise, they will rise uncontrollably.

Power engineering has its specifics. Let us assume that the price per kilowatt-hour for Rostselmash has turned out to be excessively high. But it is not within its powers to refuse electricity that Rostovenergo furnishes it and to buy it at a moderate price from Krasnoyarskenergo. As a result the consumer proves to be in a hopeless position; he is deprived of the opportunity to choose suppliers. This paves the way for dictating power prices.

In order to avoid this, we have developed and coordinated with USSR Goskomtsen [State Committee for Prices] and USSR Gosplan [State Planning Committee] a temporary statute about state regulation of rates for electricity and heat. In accordance with it, beginning in 1991 each region will establish its rates as a function of local conditions and costs for producing power.

[Akhmetov] Who can be entrusted to see to it that locally there will be no striving to sell it more expensively and to include in the rates even losses from wastefulness and slipshodness?

[Petryayev] Of course, there can be such tendencies. In order to protect the interests of the consumer, and relying upon the world's experience, we have developed a special method for settlements. Those in the field should be guided by it strictly. The method enumerates those expenditures that must be included in the cost of energy. In order to head off staff overmanning, estimates are made of the number of personnel for electric-power stations and power grids. The standards are made the basis for these indicators. If the number of power workers at the stations do not stay within the limits, then the difference must be covered from their own income.

[Akhmetov] Now we turn to the main question. How much will the rates for energy be raised?

[Petryayev] USSR Goskomtsen has approved an increase thereof by an average of 45 percent. This was in February. Later the situation changed, and the amounts of the enterprises' contributions to state social insurance were raised. In our branch they were set at 37 percent for 1991 instead of the current 10-13 percent. Power-engineering enterprises do not have spare money. And so it is that additional expenditures will go into the cost of energy.

[Akhmetov] Can the local soviets change the rates?

[Petryayev] They have obtained that right. With the emergence of unforeseen expenditures, the soviets can, upon the petition of the power systems, raise the rates approved by USSR Goskomtsen by 15 percent. The main thing is that these expenditures should be realistically justified.

[Akhmetov] Yevgeniy Ivanovich, protests are occurring in Moscow and other places against the construction of

new thermal electric-power stations. They are a serious source of pollution of the air basins of the cities. How do you assess the situation that prevails?

[Petryayev] I share the public's concern about the environment, upon the state of which our health, working efficiency, and longevity depend.

But I want to talk about the economic aspect of the problem. Here we have to change the thinking. We have become accustomed to thinking that the state should pay for everything. Including the rebuilding of existing power stations for the purpose of reducing harmful discharges into the atmosphere.

There is no disputing it: that's the way it was previously. Now we are converting to a market economy. Where will the power workers get the money to purchase modern equipment so the power stations will not discharge coal cinders into the air? Only from energy customers, that is, from enterprises and the population. How can they finance the expenditures? Through a rise in local rates.

Incidentally, such a procedures exists in the civilized world. Colleagues have come here from the FRG. They said that they have located power stations almost in the center of cities. Without any kind of protests. Because these are ecologically clean power enterprises. It is true, their construction costs are double those of standard stations, but then the rates for power are twice as high. The public goes for these costs, as long as they breathe clean air.

[Akhmetov] Thus, beginning next year the rates for energy will rise 1.5-fold. Readers naturally will be interested in how this will be reflected in their family budgets. Indeed industry will charge for the increased energy cost in their output. Consequently, the public will pay more for clothing, footwear, furniture, and other commodities. In what amount?

[Petryayev] It will be no more than one percent in the cost of consumer goods because of energy. So it is that we are not making a "tear" in the citizenry's family budget.

Union Activities Focus of General Confederation Meeting

914F0102A Moscow *TRUD* in Russian 3 Jan 91 p 1

[Report on meeting of the Presidium of the USSR General Confederation of Trade Unions Council: "In the Presidium of USSR General Confederation of Trade Unions Council"]

[Text] On 28 December 1990, a meeting was held of the Presidium of the VKP (General Confederation of Trade Unions) Council to examine issues of fundamental importance to the activities of the country's trade unions.

Opening the meeting, VKP Chairman V. P. Shcherbakov announced the admission into the USSR VKP of several new trade associations: the trade union of machine and tool builders; the trade union of workers in the oil and gas branches of industry and construction; the federative independent trade union of water transport workers; the federation of communications workers trade unions; the trade union of coal industry workers; the "Elektroprofsoyuz" [Electrical Workers Trade Union] General Federation of Trade Unions.

It was pointed out at the meeting that the tasks set by the 19th Congress of USSR Trade Unions and the necessity for the further organizational strengthening of the Confederation of Trade Unions and its member organizations urgently require the speediest resolution, in accordance with modern requirements, of several issues related to the interests of the country's workers.

One of these issues—the Trade Union Property Fund—became the subject of active and interested discussion at the meeting of the Council's Presidium. The importance of creating the economic, legal, and organizational conditions for the utilization, in the interests of the workers and every member organization, of property belonging to the trade unions was emphasized. Favorable opportunities for this can be created if the principle of the unity and indivisibility of the trade unions' property is observed. A resolution was passed basically approving the elaborations of the issue on the Trade Union Property Fund prepared with the participation of representatives from trade associations of all the republics and confirming VKP Deputy Chairman V. V. Kuzmenko as chairman of the fund.

Provision was made, in accordance with the resolution of the 19th Congress of USSR Trade Unions, for the normative materials connected with the Trade Union Property Fund to undergo further examination by a commission drawn from representatives of the branch trade unions and republic trade associations.

In discussing resolutions on the USSR Social Insurance Fund, the leaders of the member organizations noted the necessity of improving the fund's forms of administration and increasing the interest of the trade organs and labor collectives in reducing the sickness rate in the

enterprises and organizations and in rationally utilizing the funds obtained as a result of these economies.

The Presidium of the VKP Council approved the provision on the USSR Social Insurance Fund, which is an independent finance-banking system under the jurisdiction of the USSR General Confederation of Trade Unions.

The Social Insurance Fund for 1991 was approved for earnings and expenditures in the amount of 22,460 million rubles (R). The fund takes into consideration new undertakings to strengthen the guarantee to workers of pensions, including to women for pregnancy and childbirth, upon the birth of a child, and so on. Appropriations for the organization of sanatorium-resort treatment and holidays for workers and members of their families were raised to take into account the transition to the market economy.

Targeted expenditures envisaged include R800 million for the treatment of persons affected by the accident at the Chernobyl AES, R260 million for the construction and reconstruction of trade union sanatoriums, and R200 million for the upkeep of children-youth sport schools.

In examining the issue of price changes for trips to trade union sanatoriums, special attention was paid to working out a procedure to compensate for increased expenses for food and maintenance of the sanatorium, with the view to preventing any increase in the payment for trips out of workers' own funds.

At the suggestion of the USSR VKP Council's Permanent Commission on the Defense of Youth and Student Rights and the Protection of Children, results were calculated on children's health in 1990. It was pointed out that conditions for organizing health care for workers' children during vacations had worsened significantly. In nine months, 15.6 million children and adolescents took holidays in trade union health camps, which was 2.4 million fewer than in 1989.

The USSR VKP Council's Presidium expressed extreme concern over the situation that has come about with respect to organizing holidays for children and addressed a proposal to the trade union organizations in conjunction with the labor collectives and the congresses of people's deputies to seek out ways to satisfy as much as possible workers' health care requirements for their children and to direct the necessary material and personnel resources to this purpose. The confederation's member organizations recommended turning to the supreme soviets of the union and autonomous republics and the kray and oblast congresses of people's deputies with a request to consider urgent measures for the socioeconomic guarantee of children's health in 1991.

In connection with the need to acquire food at contractual prices, it was decided to increase the monetary standard for expenditures for food for each participant per day in health camps of all types (other than day camps) to R3.30. Other measures were fixed as well to improve the organization of children's health care.

The VKP Council's Presidium approved the USSR draft law "On the Basic Principles for Labor Protection in the USSR," which will be presented to the USSR Supreme Soviet in the near future according to the procedure for legislative initiatives.

As has already been reported, the Presidium supported the demands of education workers regarding the necessity to raise the pay of teachers and other pedagogical workers regardless of their departmental subordination to the level of the average salary of workers employed in the productive sphere, as a guaranteed state pay minimum. It was decided to send an appeal for support of teachers' demands to the session of the USSR Supreme Soviet.

The session of the USSR VKP Council's Presidium also examined other issues regarding the activities of the trade unions and their international ties.

Miners View Market Advent Skeptically

914F0094 Moscow SOVETSKAYA ROSSIYA
in Russian 29 Dec 90 Second Edition p 1

[Article by A. Oreshkin, general director of the Vorkuta-Ugol Association: "Hopping to the Market: What Vorkuta Miners Think About Their Tomorrow"]

[Text] It's already been a good ten years since we have been living under the once promised communism. I don't want to ironize on the subject of the unmaterialized prognosis, although here in Vorkuta even salt and matches are being sold by coupons. Today it is even more important not to fall into a euphoria of ecstatic dilettantism at the sight of the new luminary on the politicoeconomic horizon: the market. Anyone who is counting on the serene glimmer of blue waves and chocolate suntans is profoundly mistaken. The market has harsh lighting and the dispassion of computer tomography exposing not only the open and closed breaks in our economy but even its, so to speak, psychological faults, its hereditary fallaciousness.

Naturally, if you judge by the larger score, the market opens up for everyone a way out of the crisis tunnel in which we have all found ourselves. But how are the cripples and poor devils supposed to get there if even our heroes are now at the threshold of disability? These are

the kinds of analogies that come to mind when you think hard about the problems of entering the market for our coal branch.

Across the country the echoes of last year's mining strikes still reverberate. Metallurgists and coke chemists are hoarse from yelling, "Give us coal!" But so far, under the present conditions of unbalanced production, unprecedentedly inflated metallurgical and coke-chemical capacities, and the unwarranted metal consumption of machine-building production, no one can tell us how much coal and metal the country needs. There is one sole criterion: the more the better. And the press of the command-administrative system continues to pressure the miners with ever mounting force.

I shall illustrate this with the example of so-called centrally stimulated mining (TsSD), which act as a kind of makeweight for state orders and which miners look upon as a countersink. For our association this make-weight comprises over a million tons. But if previously TsSD truly was stimulated by the wage fund and material resources, then now there is none of that, and the TsSD itself, included in the supplies resource, which used to be voluntary, has now become centrally coerced. In essence we have wound up with a 104 per cent state order, in excess of our mining resources. And even if we do fulfill the plan for mining and deliveries 100 per cent but do not manage the TsSD, then we are forced to pay millions of rubles in fines. Which is happening: 450,000 rubles (R) have already been seized from the association's accounts, despite the million tons of coal mined over and above the plan.

The situation, which is already accumulating explosive material of miner discontent, is complicated as well by the fact that according to "miner" resolution No 608, the share of the state order for Vorkuta miners is set at 95 per cent. The rest of the coal the miners have been given the right to offer through direct ties within the country and in barter deals. But the notorious TsSD stands like an insurmountable barrier on the path of trainloads of over-plan coal, including that mined on days off. How are we to understand this? As the inability of the planning and coal-selling organizations to recognize the fact that "scissors" like this are capable of cutting through the already thin thread of accord between the miners and the government?

By the way, even within the Soviet government the left hand, it seems, did not know what the right was up to when it signed the abovementioned resolution. To take just the new miner vacations, which according to preliminary calculations come to 87 days for underground workers—even more if you calculate in the time spent traveling to and from the vacation place. Even the American and German miners taken together could not allow themselves such luxury. But who's going to put out the coal while the miner is relaxing? After all, Vorkuta arrears alone amount to three million tons that the consumers are counting on.

This is more than a knot; it's a timber hitch. No one is going to give us 3000 miners to replace those who have gone on holiday. No one is going to work "for that guy" knowing that the USSR Coal Mining Ministry has laid its hands on even the above-plan coal. It is unlikely anyone is going to try to rescind the part of resolution No 608 on holidays. But for all that there is the presidential decree on urgent measures to stabilize economic ties that is in effect right now and is planned for all next year. The sum total of these problems amounts to R130 million that the Vorkuta coalminers are losing in a year. Isn't this too high a price to pay for a miner's holiday? After all, this will have to be paid for not simply in currency but in the curtailment of the mines' technical reequipment and the construction of housing and social-cultural objectives and in a real lowering of the standard of living, which is quite severe enough in Vorkuta as it is.

The sole acceptable way out for today is to compensate part of the holiday, 25 days on average, by remuneration. But in doing so tax benefits must be introduced for this portion of pay, for the existing procedure deprives the miner of all interest in compensation. We spoke about this at the USSR Coal Industry Ministry offices in a meeting with USSR Supreme Soviet Chairman A. I. Lukyanov, but we have yet to receive any support.

True, it is not only holidays that are cutting us off at the roots. The association has about two and a half thousand suppliers, and in a situation of general shortage virtually each one is involved in almost unconcealed extortion. They demand everything from us—lumber, metal, cement, coal, currency—threatening to leave us without equipment, shoes, furniture, and food. Even arbitration is incapable of putting an end to the dictate of counter-agents, whose conditions we find unacceptable. We are cruelly tied to a fixed price for coal, whereas an increasing number of suppliers even within our ministry's system have the right to supply output at contractual prices. They have in essence already entered the market and are running the show, taking advantage of our unequal partnership.

Nothing bodes well for the situation's prognosis. In the first place, we are forced to live beyond our means, literally stripping the mines and threatening to undermine technical, building, and social programs. The price of interdepartmental "brigandage" could prove to be unprecedentedly high, as last year's strikes have already proved. Secondly, the current year is the last for stable wage and material incentive funds. Now the measure of our prosperity becomes cost-accounting income. How is it to be formed given producers' monopoly dictate and the bacchanalia of prices, given the negligence of laws and nonimplementation of presidential decrees? For the mines this is the direct route to bankruptcy; for the miners it is the absence of stimuli for productive labor. Hence the negative appraisals of the government, whose inconsistent and uncoordinated actions have exacerbated the situation in the coal branch to the extreme on the eve of the transition of the country's economy to a market economy. The fact that we still do not have a

well-grounded state order guaranteed material resources and do not know the size of our subsidies, without which coalminers cannot survive, confirms this yet again.

Of course, we are not sitting with our hands folded. We are honestly fulfilling our duty to the country, despite how seriously worn out the coalmining equipment depot has become. To the Vorkuta miners' credit is nearly a million tons of coal over and above the plan; moreover, although it is qualitatively better, its value is lower. New skylines are being built at the Severnaya, Vorkutinskaya, Ayach-Aga, Komsomolskaya, and Zapolyarnaya mines. At the Yuzhnaya Mine they have been able to introduce the Polish Glinik complex, literally transforming the enterprise, which is working steadily today.

At long last new Soviet-made complexes have appeared that are capable of working effectively on thin strata, although catastrophically few are coming out. Mine No 33 is being built, which will be taken over by the collectives covering the Khalmer-Yu and Yuzhnaya mines. Today we have democratized the branch's administration to the limit, having created a council of directors and leaving to the association only those authorities that the mines have delegated to it. I, for example, as general secretary, was hired by that council, which concluded a five-year contract with me. If the Coal Industry Ministry grants us the right of property, which it must get in turn from the USSR Council of Ministers, and we have the earnings, then I get the right to conclude contracts with the leaders of our structural subdivisions. On the one hand, the leader will be better protected socially; on the other, given the decentralization of administration and the market taking shape, he acquires greater decision-making independence, which is of by no means small importance.

That is why the realia of today that have taken shape on the approaches to the market, which we are in essence hopping toward, are so alarming. Whereas the other leg is being held tight by yesterday's regime and by the current innovating, in which there is often more incompetence, libertarianism, and egoism than common sense, which consists above all in the fact that there is no alternative to the Vorkuta deposit of coal in the European part of Russia. With the depletion of Ural deposits, some of which are playing out their last days, the significance of Vorkuta coal will only grow. Reserves of it total about 200 billion tons, and the first billion will be mined only in ten years. The quality speaks for itself: it takes 100 kilograms less of our coal than other coal to produce the coke to smelt one ton of pig iron. So that state interest is going to be displaced more and more in the direction of Vorkuta. The status of market hostage does not suit it at all.

Belorussian Consumer Co-ops Restructuring

Insufficient Goods for Farm Population

914F0090A Minsk SELSKAYA GAZETA in Russian
11 Aug 90 p 2

[Article by Lyubov Kapustina, head of the SELSKAYA GAZETA Department for Letters and Public Relations: "Letters to the Editors: Who Is Living in a Castle?"]

[Text] If today we wore sandals of bast or hemp cord instead of shoes and arniaks for coats, if we smoked homegrown tobacco, then surely even these everyday necessities of our grandfathers and great-grandfathers would be scarce. Of course, there would be people who would frame the explanation in popular form: the vine did not bear, they would say, the hemp got wet, the tobacco was destroyed by frost....

No analogous modern situation?

What if we argue the point? Did it take the peasant 100 years ago more effort and time to make those same bast sandals than it does the present-day producer to make socks, say? But peasant sandals were on the feet of every peasant, they were considered the fastest selling commodity on markets, there were great heaps of them in the shops. But today ordinary men's socks are the dream of every ordinary consumer.

"Tell me where I can go to buy hosiery," asks Ivan Kovalchuk, who lives in the village of Dubrova in Yelskiy Rayon, in his letter to the editors, literally confirming these ideas. "I have even written to the '8 Marta' Factory in Gomel and asked them to send me socks by mail. But they sent back neither reply nor greetings. My wife and I are 'Chernobylites,' evacuated from the contaminated zone. We lost everything in our native village, everything, as they say, movable and immovable. And now, it seems the turn has come for socks? Dear editors, please help me obtain two pairs size 25 and two pairs size 27. Our last socks are falling to pieces, at this point, after all, you cannot even buy foot wrappings...."

What is one to answer to such a letter? After all, perhaps only to complain in the same tone as the author of such a sad epistle that the same problems exist in Minsk. And the journalists, just like all mere mortals, enjoy no benefits at all in acquiring scarce commodities. That answer would hardly put the reader at ease, but it would make us feel better, if only for having observed the propriety of official correspondence. Believe me, it is not out of disrespect for the reader that it must be done that way, but because of the distressing necessity.

And how will it be with letters like the one from Konstantin Grigoryevich Smolskiy, who lives in the village Kalybovka in Zhlobinskiy Rayon, who is disabled in Disability Group I? You cannot cut him off with conventional and standard reply. Because this letter is a cry for help from a man deprived not only of material sufficiency, but even of his health, his destiny, and, most terrible of all, of the attention of those who live alongside him and who have an official responsibility as well as a human duty to solve these problems.

"I am an old man, age 77, missing both legs. You may or may not believe me, but that is how it is. My clothes have fallen apart, I am ashamed to meet anyone. There is money, but no sizes for my height and build. Many times I have asked the Zhlobinskiy Rayon Consumer Union to allocate to my village store at least one padded cotton

suit size 60, a pair of pants, shirts, and knitted underwear. Cotton is not good with crutches. But my old woman needs at least one pair of simple cotton dresses...."

As we see, people have money, but there is nothing to buy with it. And although in their letters the peasants do not refer to this phenomenon with the word "inflation," which is not very familiar to them and is too scientific, the fact that this phenomenon is a tragedy for society, the fact that it is instilling in people cynicism, severity, and indifference, can be traced in literally every sentence of any letter you take.

"We are now living on coupons," argued Mariya Savchuk of Kobrin, a labor veteran. "Sugar, flour, hulled and rolled products, macaroni products—all this is strictly rationed. And now since July we also have ration coupons for industrial goods. For women, there is a column of type on the tiny piece of paper: shoes, underwear (t), underwear (b), hosiery. For men: footwear, socks, sock. All of this is calculated for half a year. If you want to buy winter boots—you go barefoot in summer and fall. One pair of panty hose for a woman to last six months! It is shameful to speak of. Because wherever the ration coupon system has not yet been introduced and where there is at least something in the stores, this innovation will simply make people laugh.

"Further," M. Savchuk writes, "children under age 13 must go to children's stores. So far, ration coupons are not being issued to them. But what will my neighbors do, for example, if their 13-year-old son wears size 42 shoes and size 48 clothing. The boy's parents are simply desperate, they are not able to properly fit the boy out for school.

"Hearing about these cases, one gets the impression that our authorities are thinking not so much about how to get out of the economic crisis as trying to create new and still more monstrous patterns of life for us."

What M. Savchuk wrote to the editors is the ungarished truth. This summer, I had occasion to visit Kobrin and I saw all of this with my own eyes.

I saw inhabitants from several villages assembling in one of the rural soviets at the appointed time and place to receive their ration coupons. Disabled war veterans got there with great difficulty, leaning on their crutches, traveling several kilometers just to acquire the right to obtain socks. I saw how ceremoniously the staff members of the soviet's ispolkom behaved on that occasion—finally, work was found even for them! Two 70-year-old women could not understand the new and previously unknown letters which they read on the ration coupon: "Underwear (t) and underwear (b)"

"What is the meaning of this 't,' and this 'b'? Dark underwear and light underwear?" one of them asked, pointing to the little poppy-red letters with a work-hardened thumb, looking them in the eye, but they were silent.

It turned out that these were the initials of articles of women's underwear....

It is, of course, sad to speak about such things. But we have to speak. Otherwise, those who are still far from the needs of rural areas in their plans and conceptions will never learn how people are living and suffering here today.

In writing to the editors, people are not simply telling about their own troubles. They are interested in the immediate future: How is it going to be? Judging by the arguments, rural inhabitants have pretty much given up on politics, on promises on the order of "Just wait another three to five years, and it will be easier." After all, many of them will simply not live that long.

And actually the point is not really the car which Nikolay Yurchenko, member of the Kolkhoz imeni Engels in Mstislavskiy Rayon, has been on the waiting list to purchase for 11 years now. Nor is it the furniture which the family of V. Akulich of Svetlogorsk has been unable to buy for now the fourth year since moving out of the zone of the Chernobyl Nuclear Power Plant. The point is the moral context that envelops the acquisition of all those things.

"The state of society is judged not from the castle the state has, but from the level of morality," a great man once said, and history has confirmed it time and time again.

"I have worked on the kolkhoz my entire life," N. Yurchenko writes, "and I have been a member of the CPSU since 1958. My wife also worked as a milkmaid until she retired. But it turns out that we have no rights. I have repeatedly turned to A. Petrovskiy, chairman of the Mstislavskiy Rayon Ispolkom. He does nothing but promise to help me. And when three cars came to the farm this year, he took one for himself, he gave one to the second kolkhoz chairman Kondratov, and the third they redistributed to the Sovkhoz 'Zabolote.' It was supposedly purchased there by the sovkhoz director (I do not know his last name). Perhaps we simple graingrowers are missing something in this behind-the-scenes 'arithmetic'? At this point, I know only one thing, that what counts is having privileges."

In order to get out of all our everyday troubles as fast as possible, the government intends to propose to us a program for the transition to a market economy. At this point, the peasants are not in a hurry to say what they think about this. On the basis of the few letters on this topic that the editors have received, one can even judge that they are more against the market than in favor of it.

Some of the readers even advise checking back with Lenin more often in resolving the issues important to the country. Some, for example, a person who lives in the village Velikoye Selo in Verkhnedvinskij Rayon, who signed himself with the initials "G.A.A." advises going to the other extreme—belief in God, in prayer. "I would

like it," writes the author who wanted to remain anonymous, "if SELSKAYA GAZETA published the dates of religious holidays and prayers. Our piety is already far behind the level of the piety of other countries. That is the reason for all our troubles."

Even this man is surely right about something. Although, in my view, Mikhail Bakunets, who lives in the village Tury in Stolinskiy Rayon, comes closest to unriddling the extremely complicated situation in his arguments.

"Just come to our Kolkhoz '17 Sentyabrya," the veteran said, issuing an invitation, "and you will immediately see that all the farm's managers have houses as pretty as a picture. Finished like lordly mansions inside and out. Everything in them has been painted, everything is finished. Inside there are carpets, expensive furniture, crystal chandeliers, and cars in the yard. But for the ordinary kolkhoz members there is not a single up-to-date apartment, no good club, no real everyday service center. The structures on the livestock farms are falling down, no windows, mud and trash everywhere. When will all this come to an end? For a long time, the managers have failed to see from their towers what is happening around them."

Our authors categorically reject "bigwigs" in the state of workers and peasants. They are agitated when they write about those who do not even know the prices of principal foodstuffs, how much it costs to ride public transportation, for whom the word "shortage" does not mean misfortune, but a blessing.

And still, as noted by A. Kostyushko, member of the CPSU who lives in the village B. Mysskoye in Smorgonskiy Rayon, our life is unimaginable without perestroyka. "There is only one thing I would like to believe," we read in his letter, "that everything that is wrong will retreat into the past...."

Surely, that will happen. If only because the editors are continuing to receive an unending stream of letters treating the darkest corners of our life. And we are not to blame if we collect them, if all this seems somewhat "unprintable," as we used to say—unpatriotic. After all, we all understand that no "ennobling illusion" can be more precious than a "heap of bitter truths."

Resources, Transition Plans Detailed

914F0090B Minsk SELSKAYA GAZETA in Russian
24 Nov 90 p 2

[Response from the Belorussian Cooperative Alliance: "Response to the Article 'Who Is Living in a Castle?'"]

[Text] On 11 August, SELSKAYA GAZETA published under that title a review of letters about shortcomings in trade services to the rural population. The article was sent to Belkoopsoyuz for its reaction.

We have been told by L. Kotov, deputy chairman of the Board of Belkoopsoyuz, that the article "Who Is Living

in a Castle?" was taken up by the board and also examined in the appropriate cooperative organizations.

"Recently," L. Kotov writes, "an extremely unpromising situation has come about in the republic in supplying consumer goods to the public, especially those in the nonfood group.

"The commodity resources of the consumer cooperative make it impossible to meet the demand of the rural population for 1,864 items in the amount of 1,092.1 million rubles [R].

"Because of the improper approaches that have been taken to distribution of market stocks of consumer goods between the urban and rural population, sales per rural inhabitant are lower than in the city for 27 foodstuff groups out of 35, and for 50 out of 57 nonfood commodities. The Belkoopsoyuz Board has made a proposal to BSSR Mintorg and the republic Gosplan to equalize the per capita level of sales of goods. This effort has already begun in Grodno Oblast, where by the end of the year they plan to transfer from state trade to the consumer cooperative system R305,000 worth of sewn garments, R203,000 worth of hosiery, R200,000 of knitted underwear, and R760,000 of footwear.

"Taking into account the present situation with commodity resources, Belkoopsoyuz and local ispolkoms have taken a number of steps aimed at putting to rights the sales of scarce commodities. At the present time, technically sophisticated products—television sets, tape recorders, washing and sewing machines, vacuum cleaners, refrigerators, and furniture are being sold on the basis of lists kept by rural (settlement) soviets of people's deputies. Sugar, hard liquor, soap, and detergents are being sold on the basis of ration coupons or lists of local soviets. School uniforms are being sold according to the lists of the schools. Goods for newlyweds are being sold on the basis of invitations from the civil records office. In almost two-thirds of the republic's rayons, knitted underwear, bed linen, footwear, socks, and women's and children's panty hose have begun to be sold on the basis of lists of local soviets.

"Beginning on 1 April 1990, priority sale of building materials in great demand to individual builders began, and victims of the accident at the Chernobyl Nuclear Power Plant do not have to wait their turn.

"In order to prevent a number of consumer goods from being bought up and carted away, to see that the existing resources are used more optimally, to improve the supply to the republic's population, and to guarantee unity in organizing the trade in goods for which there is a high demand, BSSR Mintorg and Belkoopsoyuz have approved and sent out rules for the sale of goods on the basis of checks and checkbooks, and a temporary procedure has also been introduced for sales on the basis of 'calling cards' to purchasers who are citizens of Belorussian SSR.

"As for the request contained in the readers' letters to acquire certain nonfood commodities, the request of I. Kovalchuk, who lives in the village Dubrova in Yelskiy Rayon, has been met, and that of K. Smolskiy, who lives in the village Kalybovka in Zhlobinskiy Rayon, has been satisfied in part. An order has been put in for the commodity that is lacking, and as soon as it is received, K. Smolskiy's request will be fully satisfied."

New Chairman Interviewed on Role of Turkmen Trade Unions

914F0101A Ashkhabad TURKMENSKAYA ISKRA
in Russian 11 Nov 90 p 2

[Interview with A. S. Rizayeva, chairman of the Federation of Turkmen SSR Trade Unions, by special correspondent G. Shchepotkina: "I Am Counting on Everyone's Effort..."]

[Text] A. S. Rizayeva, a teacher by education and formerly a soviet worker, was elected chairman of the Turkmen SSR Trade Union Federation, created by the 11th Congress of Turkmenistan Trade Unions. She gave her first interview to our correspondent.

[Shchepotkina] Abad Sakhatovna, you are the country's only woman heading a republic trade union organization. This is of course not the first time such a thing has been seen in Turkmenia. But before, times were different. Today, in a time in which the Communist Party is changing and relations with other public organizations are being formed differently, and in which one would be hard-pressed to find anyone willing to make predictions even of the shortest range, you have assumed the leadership of one of the largest public movements. Aren't you afraid?

[Rizayeva] Well, what would you think of a person who takes you by the hand over a hazardous mountain pass and asks you to follow him confidently, after communicating in the same breath that he himself is afraid? Fear is not what we should be thinking about in my opinion: feelings are transient, and they do not always objectively reflect a person's state. What is required of me is to evaluate the situation soberly, without haste but without counting on a long working-in period either, to review my own creative potential—my life experience, my knowledge, and my purely human qualities, and distribute this potential in such a way that the payoff would be maximum. But the main thing, I must not count on success with reliance upon my own strengths alone. I lay great hopes upon those who have been involved in trade union work for some time, and on the numerous active members. My ultimate hope is that not one member of the trade union would remain in the role of a passive observer.

[Shchepotkina] You referred to purely human qualities which, as I understand it, are in your opinion the golden fund of the creative potential of each individual, and particularly of a leader. Which of them do you value especially?

[Rizayeva] Let me put it this way: The ability to live with people. This includes an entire complex of character traits inherent to an individual who carries out the most difficult mission on Earth in a way satisfying to himself and beneficial to all others—one who lives in a society of people like himself. Back when I first embarked upon the path of Teacher—it makes me happy that we are once again often writing this word with a capital letter—I created a certain image of the ideal person, toward which I have strived throughout my life. Ideal not for myself and not within myself, but primarily for others. From my point of view, continual adjustment of one's deeds is especially important to leaders. A leader, you see, does not simply live among people—he is at the center of their attention.

[Shchepotkina] I think we now understand your life's creed in general terms. Let's go on to the problems of the trade unions per se. The accountability report given by your predecessor, Ovezmukhamed Annamukhamedov, at the 11th congress of the republic's trade unions emphasized that trade unions are currently being reoriented on fulfilling their basic functions as defined from the very beginning—protecting the legal rights and interests of laborers. How do you interpret this?

[Rizayeva] I carefully studied the accountability report and the debates on it during my preparations for my trip to the 19th Congress of USSR Trade Unions. This idea is in fact a leitmotif in all documents, directly or indirectly attesting to a complete turn of the trade unions in the direction of the needs of the people. I think that we can already point to some successes. I think that they alone are responsible, for example, for the significant recent increase in trade union membership: There are now a little less than 1.3 million members in the republic. Growth of authority is a reaction to the democratization occurring in the trade unions.

[Shchepotkina] Now that the Federation of Turkmen SSR Trade Unions has been formed in place of the republic council, can we assume that this process will continue even further?

[Rizayeva] Certainly! Sector trade unions and territorial interunion trade union organizations have been combined, and on a voluntary basis at that. We are holding the doors of the federation open to other public organizations of laborers as well. We are independent in our actions, and we are independent of organs of state and economic control, as well as of political and other public organizations and movements.

One point I should clear up. Why is a federation needed at all, when everyone around us is trying to get out from someone else's tutelage? I think that ensuring full protection of labor, social and economic rights and the spiritual interests of the laborers is beyond the power of any one sector trade union. All kinds of things happen. Often they involve the need for dealing with an "alien" hierarchy: Not all problems are limited in their impact to just a single sector. Moreover, the trade union movement

as a whole is still unified. Therefore in the modern world, which is being torn apart by conflicts, a coordinator of action is simply as indispensable as air; a body which would consolidate the power of the trade unions so that they might carry out their purpose to the fullest is required.

[Shchepotkina] Recently I carefully read the Charter of the Federation of Turkmen SSR Trade Unions, and I came to feel sorry for those same coordinators, who have been given the heavy burden of consolidating the power of independent trade union units, brought together into the federation.

[Rizayeva] It is true that the rights of the federation's member organizations are many. But they also have a responsibility to the federation: to support its activities, including materially, to carry out its decisions, and to provide information on its activities. Working together, we will try to see that our joint activity will go on within the framework of the charter adopted by the congress, so that it would be beneficial to the laborer.

[Shchepotkina] How will this be ensured in practice?

[Rizayeva] The 11th congress of the republic's trade unions approved the program of action of our trade unions. We feel that practical efforts to carry out our protective functions in relation to all laborers, and primarily to the socially most vulnerable part of the population, must now become the most important thing for us.

Four main directions in which the trade unions will now concentrate their efforts are spelled out in the program. They include protection of the social, economic and labor rights and interests of the laborers; safeguarding their labor and health; educational work and implementation of cultural policy; further democratization and greater glasnost in trade union activities. All of these directions seem familiar. But the content of work done within these directions will change with change in the functions of the trade unions.

[Shchepotkina] For example?

[Rizayeva] Well, for example in connection with the republic's transition to regional cost accounting and the forthcoming activity to change it from a raw material economy into a region with a complete production cycle, the trade unions feel it necessary to take part in solving this problem, and in developing and implementing a program to provide jobs to the employable population.

Let me dwell in greater detail on the latter. The trade unions are planning to take a direct part in creation of a worker cross-training and advanced training system in connection with the shift in focus that may occur in the manpower requirements. We feel that creating new jobs is also our business. I think that these jobs will be created primarily in the sphere of services. We are also awaiting the opening of small enterprises and production operations, in which young people would be able to exercise

their right to work after graduating from educational institutions and completing their military service.

Our protective activities are being infused with new content. We are lobbying for introduction of unemployment assistance, and we are making preparations to submit proposals to draft and adopt, in this very next year, a Turkmen SSR employment law.

Of course, the solution to many problems having to do with protecting the social rights of the people is beyond the competency of the trade unions. But even here we intend to defend the interests of the laborers to the end. For example we will demand that the republic's government develop effective mechanisms of social protection, with regard for our proposals. But I've already talked about this. Let me just say that disabled and retired persons, large families, other low-income people and those who live on fixed incomes will be targets of our special protection. We are also thinking about defining the contents of the "consumer's market basket" and the subsistence minimum, reviewing it on a regular basis (in keeping with the pace of inflation), and paying appropriate compensation.

We have much work to do in connection with the forthcoming changes in labor law, with the increasing

role of the soviets of people's deputies, and with the new content being infused into the concept of labor.

[Shchepotkina] The trade unions are truly rising to a new level of activity in response to present and future changes in the society. But wouldn't this probably also require higher qualifications on the part of the trade union workers themselves?

[Rizayeva] Of course, this is foreseen in the program of action. Training of trade union workers and active members will be organized mandatorily on the basis of orders placed by sector and primary trade union organizations.

[Shchepotkina] We have touched upon just a very small number of aspects of the activities of the trade unions, and there are so many of them! Isn't there a need for legalizing all of these innovations at the legislative level?

[Rizayeva] Absolutely. A draft law on the republic's trade unions will be submitted to the Turkmen SSR Supreme Soviet for its examination this very year. And before this, we need to practically "test out" some of the innovations, and check out their different variants. And once again, let me emphasize that we, and I personally, lay great hopes upon the energy and interest of all primary organizations, organs and every trade union member in the success of our common cause.

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